FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,351 Saturday December 20 1980 ***25p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 28; DENMARK Kr 5.00; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 800; NETHERLANDS Fl 2.0; NORWAY Kr 5.00; PORTUGAL Esc 45; SPAIN Pta 75; SWEDEN Kr 5.00; SWITZERLAND Fr 2.0; EIRE 30p; MALTA 25c

NEWS SUMMARY

GENERAL

Kosygin dies of heart failure

Former Soviet prime minister Alexei Kosygin died of heart failure in hospital on Thursday night, David Satter writes from Moscow. He was 76.

His death came two months after he resigned as premier on the grounds of poor health and less than a year after he was reported to have had a third heart attack.

The death of Mr. Kosygin, who directed the country's centralised economy for 16 years, is not expected to have any political consequences. However, it must have symbolic significance for the ageing Kremlin leadership.

Mr. Kosygin's body will lie in state for two days before being cremated. His ashes are expected to be put in the Kremlin Wall, beside those of other prominent leaders.

Manager who impressed his Western counterparts, Page 2

Operation Dainty

Operation Dainty to guard London against any bombing campaign over Christmas and the New Year is going ahead, despite the end of the Maze hunger strike.

Escaper returns

Stanley Thompson, one of the three Brixton escapers, gave himself up.

'Sus' law move

Legislation was published to repeal the "sus" law, but the law on attempted crimes is reinforced to close any loopholes.

Seveso payment

Swiss chemicals company Givaudan agreed to pay L103bn (£47m) compensation for the factory explosion which released toxic dioxin gas over Seveso, Italy, in 1976.

Arts grants cut

The Old Vic and 40 other arts bodies are to lose their Arts Council grants in 1981-82. Page 3

Car tax reprieve

Plans to force taxes to be paid on all cars, whether or not they are used on the road, were abandoned by the Government. Page 4

Drugs conviction

Boris Guissan, who tried to smuggle nearly three kilos of cocaine in a woman's corset he was wearing, was jailed for six years at Maidstone.

Not so funny

A chapter in Larry Grayson's Christmas Fun Book, which gives advice on sword swallowing, flame-blowing and dancing on broken glass, may be cut out.

Golden holidays

An Edinburgh company is offering week-long gold-panning holidays in Sutherland next year.

Briefly . . .

Earthquake in Iran killed 26 people.

Heavy snow fell in Scotland, North-West England and Wales. Weather, Back Page

Sue Berger, who tried nine times to become Miss Great Britain, must give up her title four months early.

Actress Jessie Matthews, aged 73, was divorced from her third husband.

The Pope will visit Japan in February.

Financial Times

We apologise to readers in the London area who did not receive yesterday's copy of the Financial Times. This was the result of wholesalers not ordering supplies as a result of action which, we understand, was taken by their SOGAT employees.

BUSINESS

$10 gain for gold; sterling up 1.55c

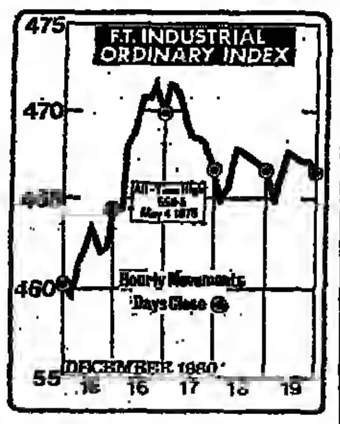
● DOLLAR weakened, closing at DM 1.9750 (DM 1.9910). Its trade-weighted index fell from 87.9 to 87.4. Page 23

● STERLING was firmer, up 1.55c to $2.3420. Its index rose to 77.6 (77.4). Page 23

● GOLD rose $10 to $584.5 in London. In New York, the Comex December close was $597. Page 23

● GILTS' advance continued and £1bn medium-dated tap stock sold out. The Government Securities index put on 0.55 to 68.58. Back and Page 24

● EQUITIES were steady. The FT 30-share Index was again



unchanged at 466.5 for a gain of 6.3 on the week. Page 24

● WALL STREET was up 5.72 to 935.92 near the close. Page 20

● DAVY Corporation may have a buyer interested in up to 15 per cent of its shares at about 10p more than Enserch Corporation's 190p offer for the whole company. Back Page

● GREECE rejected a British bid to supply a £160m coal-fired power station. Back Page

● EXPORT CREDIT war between the U.S. and its European partners appeared inevitable as condition revision negotiations broke down in Paris.

● LLOYD'S of London relaxed a rule which limited investment by outsiders in Lloyd's insurance brokers to a 20-25 per cent shareholding. Page 3

● ROLLS-ROYCE may lose more big engine orders in the U.S. after the fierce price cuts by its rival, Pratt and Whitney. Page 4

● NESTLE and SWISSAIR plan to develop an international chain of hotels. Page 21

LABOUR

● BRITISH AIRWAYS UK employees considered an improved offer of a three-month pay freeze followed by an 8 per cent rise on April 1. Shop stewards accepted negotiators' recommendation to reject. Page 4

● FORD negotiations on 57,000 manual workers broke down when the company refused to raise its pay offer or cut the working week. Page 4

● SEAMEN in the North-East were advised to ban all overtime and to refuse to go to sea from Monday midnight in protest at a 10.5 per cent pay offer. Page 4

COMPANIES

● POLLY PECK (Holdings), ladies' clothing manufacturer, reported a pre-tax surplus of £17,670 for the period from March 20 to August 31, compared with a £29,000 loss for the six months to September 19 last year. Page 16

● GREENE, KING and Sons, the brewer, reported a first-half pre-tax profit of £2.57m (£2.49m). Page 16

● PHOENIX Timber reported a £447,000 pre-tax loss for the six months to end September, compared with a £530,000 profit last time. Page 16

Atkins denies giving concessions to Maze hunger strikers

BY STEWART DALBY IN BELFAST AND RICHARD EVANS IN LONDON

Mr. Humphrey Atkins, Northern Ireland Secretary, insisted in the Commons yesterday that the Government had not offered any concessions to the hunger strikers to call off their protest.

But confusion continued at Westminster over the reasons for the apparent capitulation of the IRA prisoners. If it is a capitulation it could herald a change of great significance in the atmosphere of Northern Ireland affairs.

The end of the 53-day hunger strike now seems likely to be followed by a phasing out of the "dirty protest" by other prisoners at the Maze, Belfast.

At Westminster, Mr. Ian Paisley, leader of the Democratic Unionist Party, had a stormy half-hour meeting with Mrs. Thatcher when the Prime Minister is understood to have angrily rebutted his charges of a sell-out.

Mr. Atkins, formally announcing an end to the fast by the seven original hunger strikers, said the Government had made it clear throughout that it was not prepared to grant political status.

He believes the fact that this message had finally got through had largely brought about the abandonment of the hunger strike tactics.

Ministers were being cautious on political prospects in the Province, and the overwhelming reaction at Westminster was of intense relief. There were signs that they regarded the outcome as a political triumph for Mrs. Thatcher but there was no disposition to gloat.

Anxieties remained over the tactics of the Provisional IRA. An immediate outbreak of terrorist violence was thought to be less likely but contingency plans by Government and security forces will remain.

It was learned that contrary to earlier reports a summary of the position sent to the Maze on Thursday was not delivered to the prisoners until yesterday morning and so could not be responsible for the decision to end the fast.

This must have been based on an earlier 30-page document made available by Mr. Atkins in Parliament and in Belfast on December 4. It was stressed repeatedly yesterday there was no difference of any significance between the two documents.

But Mr. Danny Morrison, chief publicity officer of the Provisional Sinn Fein, said the 30-page document was sent in to the prisoners on Thursday night with the text of a speech Mr. Atkins was to make to the people of Northern Ireland.

Asked in what way the document differed from an earlier offer, Mr. Morrison said the document represented a "complete fleshing out" of what was on offer. He said that certain clauses satisfied prisoners' demands about working, clothing.

Mr. Morrison claimed that hunger strikers had scored a total victory, but there was still uncertainty about whether prisoners would do prison work and wear prison clothes.

In his summary to the prisoners, Mr. Atkins said that as soon as possible all prisoners would be issued with civilian-type clothing for wear during the working day.

"From then on, as I said in October, prison uniform becomes a thing of the past for all prisoners," he continued.

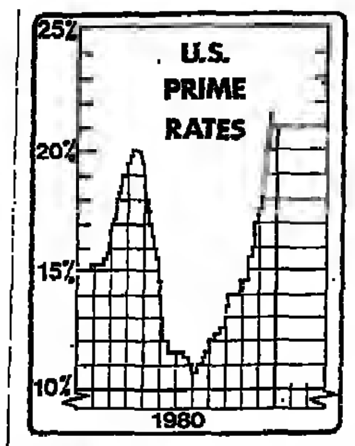
It now seems that the 400 or so prisoners on the so-called Dirty Protest, who have been refusing to wear prison clothes and have been smearing their cells with their excrement are planning to phase out their protest.

Leading Protestant politicians, including Mr. Paisley and Mr. Enoch Powell, Official Unionist MP for South Down, appeared extremely suspicious about the possibility of concessions both to the IRA prisoners and on the involvement of the Irish Republic in the Northern Ireland issue.

According to a Downing Street statement Mrs. Thatcher had been dismayed by the tone of Mr. Paisley's remarks as it had become made quite clear that guarantees to the people of Northern Ireland would be fully maintained.

Mr. Paisley's view was that the Government had surrendered to the hunger strikers by offering further concessions in a secret deal.

Loyalist suspicions, Page 3



Prime up to 21.5% in U.S.

By Paul Betts in New York

CITIBANK, the largest New York bank, led the way yesterday to another round of prime rate increases when it raised its lending rate to prime borrowers by half a percentage point to a record 21.5 per cent.

The move, quickly followed by other major U.S. banks including Bank of America, Chase Manhattan and Manufacturers Hanover, has fuelled mounting fears about the impact of high interest rates on the U.S. economy.

In his first public comments on the country's economic situation, Mr. Donald Regan, the U.S. Treasury Secretary-designate and chairman up to now of Merrill Lynch, the Wall Street investment firm, indicated he expected interest rates to continue climbing for a short while before starting to decline rapidly.

He claimed the current costs of funds to banks could send the prime up to at least 22 per cent to 22.5 per cent. Although interest rates could subsequently "come down almost as quickly as they came up," when they begin to decline.

Mr. Regan said he did not expect interest rates to drop in the short term to last summer's levels, when the prime rate at one stage stood at 10.75 per cent.

Mr. Regan said the new administration would support tight monetary policies by the Federal Reserve to help combat inflation.

There are now tentative signs of a slowdown in the growth of the weekly monetary aggregates, but the Fed is still concerned over sustained inflation next year, because of the effect of high food prices, following last

Continued on Back Page

Medium tap sold not, Back Page

£ in New York

—	Dec. 18	previous
Spot	$2.3245-3265	$2.3290-3320
1 month	1.60-1.70 pm	1.40-1.50 pm
3 months	3.75-3.85 pm	3.60-3.70 pm
12 months	4.70-4.90 pm	4.70-4.90 pm

Government seeks private sector aid for ICL

BY GUY DE JONQUIERES

THE GOVERNMENT is seeking private sector partners to help ICL, the only big British-owned computer manufacturer, amid growing official concern about the company's prospects.

The Department of Industry is understood to have asked both British Petroleum and Shell if they would inject funds into ICL, which suffered an unexpected 46 per cent drop in its profits last year.

Both companies are understood to have responded coolly. The Department is now believed to be considering whether to approach foreign electronics companies, in either the U.S. or Japan.

One possible candidate is Control Data (CDC), the American computer manufacturer which is one of ICL's major suppliers. But CDC has given no public indication that it would be interested.

The Government is also studying ways of boosting ICL's dwindling order book, possibly by encouraging nationalised industries to look favourably on the company when awarding computer contracts over the next few months.

ICL was recently awarded a large contract to computerise the Inland Revenue's Pay-As-You-Earn operations, against heavy lobbying from big U.S. competitors. But from the New Year, international rules will prohibit Britain from giving the company preferential treatment in bidding for central Government orders.

The Government has become concerned about ICL's ability to finance the heavy investment in research and development needed to remain competitive in the world computer market.

ICL has blamed its poor results during the last financial year, ended September 30, on the effects of weaker demand, the strength of the pound and high interest rates. It has warned that further deterioration is likely in the months ahead.

The company also ended the year with a £10.5m overdraft, which may complicate any attempts to raise further borrowings.

Though ICL is acknowledged to have produced some technically good machines, some critics believe it should have moved more forcefully to establish itself as a leader in clearly-defined sectors of the commercial computer market.

The need to be closely identified with specific types of users is becoming important for most computer companies as falling margins on the sale of machines force them to seek more profits from supplying programming, services and other types of expertise.

On top of the need to inject sizeable amounts of cash into the company, a major challenge to any prospective partner for ICL is considered to be supplying the management resources required.

In spite of the recession, skilled managers with a background in the computer industry are rare.

Inflation down again to 15.3% annual rate

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

RETAIL PRICES rose 0.8 per cent in Britain last month, confirming that the underlying rate of growth is now about 10 per cent.

Just over half the increase in November prices was due to higher public sector charges and local authority rents, as intense competition continued to hold down price rises in much of the private sector.

Prices have been rising at less than 1 per cent a month since the spring and the result has been a steady decline in the annual rate of increase.

Department of Employment figures published yesterday show the Retail Prices Index rose 15.3 per cent in the year to November to 274.1 (January 1974=100). This compares with a 15.4 per cent rate in October.

There could be a slight hiccough in the trend when the December index is published, since comparison will be with an 0.7 per cent rise a year ago. The 12-month rate is certain to drop sharply in the early months of next year when compared with the 5.3 per cent rise in the index in the first three months of this year.

The clearest indication of the downward trend is the index for all items except seasonal foods over the last six months. Expressed at an annual rate, this now stands at 8.6 per cent, the lowest level for two years, and nearly in line with the international average.

However, the increase excludes the price and local rate rises bunched after the Budget last spring.

Consequently, the underlying rate of increase may be slightly over 10 per cent. This would be consistent with the Treasury's forecast of an 11 per cent rise in prices over the next 12 months although some economists regard this as too cautious and have forecast a single-figure inflation rate by next summer.

Despite the general deceleration, public sector prices have accelerated. In the last six months, for example, prices charged by nationalised industries have risen by 13.2 per cent, or more than three times the average rate of increase. This covers coal, coke, gas, electricity, water, rail and bus fares, postage and telephones.

PRICE INCREASES

	Percentage change over 6 mths.	12 mths.
Food	+ 1.7	+ 9.7
Housing ...	+ 5.3	+29.5
Durable household goods	+ 2.8	+ 8.2
Clothing and footwear ...	+ 1.6	+ 6.5
Nationalised industries ...	+13.2	+28.5
All items, retail prices index	+ 4.1	+15.3
Tax and price index	+ 4.7	+16.6

Sources: Department of Employment and Central Statistical Office.

In the last 12 months, prices most directly affected by Government policy (nationalised industry charges and housing rates, rents and mortgage payments, have accounted for more than two-fifths of the rise in the retail prices index even though they only have a two-fifths weighting in the composition of the index.

By contrast, private sector prices have been held down by the pressure of the strong pound and by the need to reduce excessive stocks. Prices of clothing and footwear have, for example, risen on average by only 1.6 per cent in the past six months.

This moderation has, however, been at the expense of reduced profit margins. The worry is that when the economy picks up, companies will seek to restore margins and increase prices.

Price increases in the pipeline in December include dearer petrol, and further instalments of increases in gas and telephone charges, higher rail fares and higher prices for some vegetables.

Last month, the main influences were higher public sector charges and an increase in the price of eggs, cakes, potatoes and cauliflowers.

The Government's tax and price index is continuing to rise more rapidly than the Retail Prices Index because of the income tax changes in the last Budget.

The tax and price index rose by 16.6 per cent in the year to November to 138.5 (January 1978=100). This index indicates the rise in pre-tax earnings needed by the average taxpayer in order to maintain an unchanged level of real take-home pay.

Mortgage cut unlikely to raise house prices, Page 22

Profits and GDP are still falling and the velocity of money circulation has dropped sharply, according to the third-quarter national income figures published yesterday by the Central Statistical Office. Samuel Brittan reports, Back Page

Matthey in £47m rights issue

BY ANDREW FISHER

JOHNSON MATTHEY, the metal refining and bullion dealing group, plans to raise £47m from its shareholders in the second major rights issue announced this week.

On Monday Royal Insurance said it would seek £116m from its shareholders in one of the largest rights issues made by an insurance company.

The market had already anticipated the news from Johnson Matthey, with the company's shares down 12p on Thursday on reports that a cash-raising exercise might be on the way.

Yesterday they fell a further 13p to 210p when this was confirmed. The Stock Exchange will investigate to see whether there was any insider dealing, which is now illegal under company law.

Johnson Matthey, which raised £20m from shareholders nearly two years ago, will make its rights issue at 184p with one new share offered for every four already held.

Johnson Matthey's largest shareholder, Charter Consolidated mining group, with 28 per cent, intends to take up its share of the issue.

The company says it needs the money to help finance its continuing investment programme, pay for possible acquisitions, and meet higher precious metal costs.

In the first half of this financial year, Johnson Matthey's pre-tax profits rose from £11.5m to £19.6m. Profits for the year to March 31, 1980, were nearly 80 per cent higher on the previous 12 months at £38.6m.

The company is expecting a further advance for 1980-81, though less marked, and proposes to pay a gross dividend of 12.86p per share against 10.71p last year.

S. G. Warburg, the merchant bank advising Johnson Matthey, had intended to announce the issue on Monday, but was forced by the leak to move yesterday morning. Warburg has also underwritten the issue. The brokers are Phillips and Drew.

Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Excheq. 12¾% 1985	£96¾	+ ⅜	A.B. Electronic	108	− 7
Excheq. 12% 1998-A	£90¼	+ 1½	Fuller, Smith & Turner	320	− 20
BOC Int.	98	+ 5	Johnson Matthey ...	210	− 13
Batleys of Yorkshire	47½	+ 3½	Northern Goldsmiths	56	− 6
Novo Inds. B	£48	+ 5	Norton & Wright ...	43	− 7
Peters Stores	94	+ 8	R.H.B.	84	− 4
Phoenix Timber ...	100	+ 15	Sedgwick	113	− 4
Utd. Scientific	323	+ 18	Unitech	310	− 14
Berkeley Exploration	263	+ 13	Victor Products ...	166	− 30
Hampton Areas ...	245	+ 5	Venterspost	630	− 36
Kitchener Mining ...	232	+ 27			
Mount Carrington ...	47	+ 5			
Spargos Exploration	82	+ 4			

CONTENTS

For latest Share Index phone 01-246 8026

OVERSEAS NEWS

David Satter reports from Moscow on the death of Mr. Alexei Kosygin, and on the way the leaders of the Soviet Union are chosen.

Manager who impressed his Western counterparts

If the Soviet leadership is divided into party bureaucrats who know how to control, and technocrats who know how to manage, then Mr. Alexei Kosygin, the former Soviet Prime Minister who died on Thursday at the age of 76, was the Soviet Union's leading technocrat.

An economic manager whose grasp of technical matters consistently impressed his Western counterparts, Mr. Kosygin was always identified with a more managerial, less ideological approach to problems, although in the end he left no single Soviet policy attached to his name.

Mr. Kosygin joined the Communist Party in 1927 at the age of 23 and moved up rapidly, in part because of the purges which decimated the old Bolsheviks. In 1938, he became Mayor of Leningrad and in 1939 Minister for the textile industry.

In 1940, he was named a Deputy Prime Minister and he played an important part in the evacuation of industry to the east during the war.

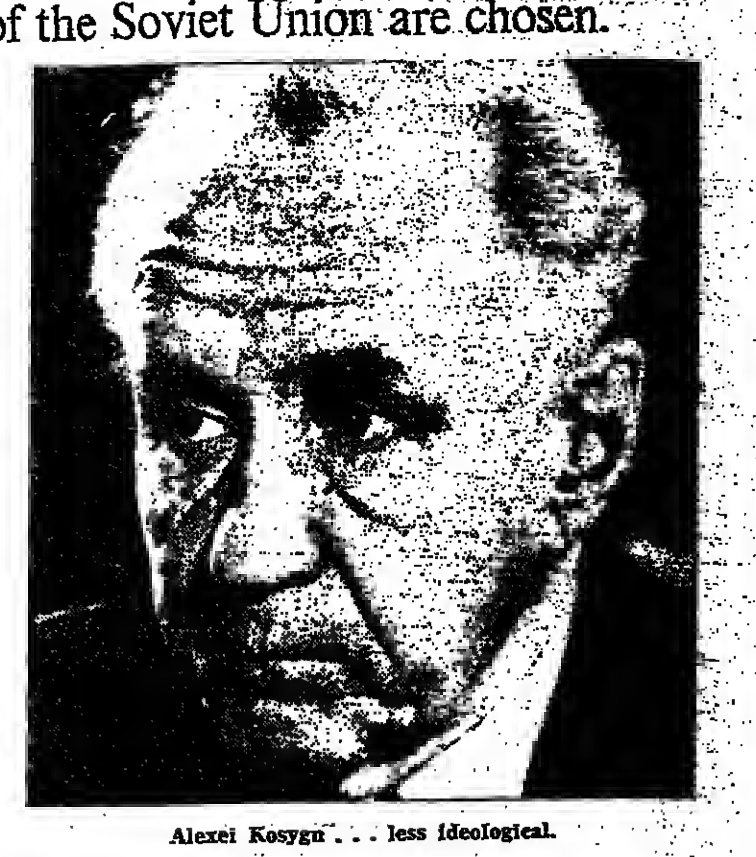
Mr. Kosygin became a member of the Politburo in 1960 and when Mr. Nikita Khrushchev, the former Soviet leader, was removed in 1964, he and Mr. Leonid Brezhnev, who became General Secretary of the Communist Party, took over a new collective leadership with Mr. Kosygin in the post of Prime Minister.

For a time, Mr. Brezhnev, the ebullient, shrewd party leader, and Mr. Kosygin, the skilled technical expert, appeared to be co-equals in the Soviet leadership. But Mr. Brezhnev's predominance became steadily more pronounced.

As Mr. Brezhnev gradually filled the ruling Politburo with persons loyal to him, the role of Mr. Kosygin appeared increasingly to be that of a functionary.

Towards the end of his career, there were reports that Mr. Kosygin wanted to retire, but Mr. Brezhnev and the Politburo were opposed to this.

When the Soviet Union's chief manager finally did retire in October after three serious heart attacks, he was replaced immediately.


Alexei Kosygin . . . less ideological.

Little movement to bring younger men into the ruling Politburo

THE DEATH of Mr. Alexei Kosygin, the former Soviet Prime Minister, will have no impact on Soviet policies. His resignation from the top Government position he held since 1964 had already taken place two months earlier.

Mr. Kosygin served as Prime Minister for 16 years, but his death had still not been mentioned in the Soviet Press late yesterday. The media devoted itself instead to celebrations marking the 74th birthday of Mr. Leonid Brezhnev, the Soviet President, who received another medal to mark the occasion.

The refusal of the Soviet leadership to prepare for the possibility of change was reflected in the career of Mr. Kosygin, who continued to work as the chief manager of the Soviet Union's centralised economy despite his three heart attacks. His resignation after the third attack appeared to have been accepted reluctantly.

As matters stand, there is little movement to bring younger men into the ruling Politburo or the Central Committee secretariat. Most of the changes which do take place concern the upgrading of Politburo members who have long standing personal ties with Mr. Brezhnev.

When Mr. Kosygin resigned at the age of 76, he was replaced as Prime Minister by Mr. Nikolai Tikhonov, 75, a specialist in heavy industry, whose ties to Mr. Brezhnev date back to Mr. Brezhnev's early party career in the Ukrainian city of Dnepropetrovsk in the 1930s.

Another significant recent appointment to the Politburo was that of Mr. Konstantin Chernenko, 68, two years ago. He has worked as Mr. Brezhnev's personal aide and his ties to Mr. Brezhnev go back to the early 1950s when he was a propaganda official in Moldavia.

Under existing conditions, Mr. Chernenko is considered one of the two most likely candidates to succeed Mr. Brezhnev if Mr. Brezhnev should die in office. The other candidate is Mr. Andrei Kirilenko, 74, who deputises for Mr. Brezhnev in party matters, and like Mr. Tikhonov, also has ties to the Soviet leader dating back to Mr. Brezhnev's early party career.

Iran demands deposit of assets

BY TERRY POVEY IN TEHRAN

IRAN yesterday demanded that its assets frozen by the U.S. be deposited in the Algerian central bank as a pre-condition for the release of the 52 American hostages held here for almost 14 months.

This is one of Iran's final conditions, a copy of which was sent to Washington on Thursday, according to the three Algerian mediators, who left Tehran yesterday with another copy of the proposals.

Mr. Behzad Nabavi, a Government spokesman and the official in the Prime Minister's office, responsible for hostage negotiations, said "Written promises by the President of the U.S. are not enough."

Iran required the U.S. Government to deposit with the central bank of Algeria the frozen assets and gold belonging to it. "The transfer of the assets to Algeria must take place prior to the release of the 52 hostages," said Mr. Nabavi.

Iran also wants the U.S. to correlate its statements promising non-interference in Iranian affairs with those approved by the Majlis (Parliament). Mr. Nabavi said the undertakings of non-interference offered by the U.S. were generally acceptable, but Iran continued to seek firmer assurances on the other conditions.

The four conditions set by Iran for the release of the American hostages are the unfreezing of its assets, the dropping of legal claims, the return of the wealth of the late Shah and his family and a declaration of non-interference in the country's internal affairs.

On the question of the wealth of the late Shah and his family, Mr. Nabavi called for "acceptable assurances to be given to the Algerian Government regarding the fulfilment of undertakings" made by the U.S.

As to the outstanding court cases, he said "a form of arbitration acceptable to both sides" has been agreed. This is thought to refer to a joint Iran and U.S. and Algerian commission that will review all the outstanding claims.

Officials in Tehran say that the figure being sought by Iran as its estimate of the value of its frozen assets could be as high as \$14bn (£6bn). They were insistent that this was a demand that the U.S. Government could meet quickly. Provided this, and a suitably worded declaration of non-interference was made, there was no reason why the hostages could not be released in the next few days, they said.

Diplomats in Tehran were not over-optimistic however.

In Washington Mr. John Trattner, a State Department spokesman, said the Iranian document "presents issues of substance as well as questions of procedure, which will require consideration."


Mr. Mugabe

Mugabe meets Nkomo

By Our Salisbury Correspondent

AFTER WEEKS of mounting tension, Zimbabwe's fractious coalition partners held talks yesterday in an attempt to end political confrontation that has claimed over 90 lives since independence last April.

The latest incident was on Thursday, when a man was killed and 30 people were arrested after fighting in a township outside Bulawayo.

Prime Minister Robert Mugabe and Mr. Joshua Nkomo, Home Affairs Minister, led delegations from their respective central committees in over four hours of talks which were reported to have led to the establishment of a joint committee to look into the causes of tension.

Mr. Mugabe's ZANU-PF and Mr. Nkomo's PF are divided on tribal and political lines. Friction between the two factions dates back 17 years. Participants in yesterday's talks said the discussions were "frank" but relatively free of recriminations. Both Mr. Mugabe and Mr. Nkomo expressed regret over the strains between them.

Relations between the two men, who were loose allies in Zimbabwe's seven-year war, hit their lowest trough since independence when their rival guerrilla forces fought for a day and a half in Bulawayo last month—a battle that claimed 55 lives.

Some of Mr. Mugabe's hard-liners, notably Mr. Enos Nkala, Finance Minister, and Mr. Edgar Tekere, Manpower Planning Minister, harbour a deep personal loathing for Mr. Nkomo, who has complained bitterly in recent days at what he sees as high-handed treatment by ZANU-PF.

Italians ask for terrorist's return

BY RUPERT CORNWELL IN ROME

ITALIAN magistrates are preparing a formal demand for the extradition of Marco Donat Cattin, the 27-year-old terrorist son of Sig. Carlo Donat Cattin, the former Christian Democrat Minister, who was arrested in central Paris on Thursday night.

Marco Donat Cattin, who was carrying false identity papers when captured, is believed to have been a leading figure in the Prima Linea (Front Line) ultra-left wing organisation. He is wanted on several counts, including the murder of a Milan magistrate, Sig. Emilio Alessandrini, in January last year.

Shortly before magistrates in Bergamo issued an international arrest warrant for him last May, Marco fled Italy amid allegations that his father had been tipped off by Sig. Francesco Cossiga, the then Prime Minister, that police were searching for his son.

Those allegations were hotly denied, but Sig. Cossiga was only cleared after full-scale impeachment proceedings before both houses of the Italian Parliament. The strain he suffered from the case is widely credited with hastening his government's downfall last September.

The capture of Marco Donat Cattin brings the number of alleged terrorists arrested this year in Italy to about 740.

Prima Linea itself is now believed to be all but dismantled, while heavy inroads have been made into the Red Brigades, its sister organisation.

Nonetheless, police seem no nearer finding Sig. Giovanni D'Urso, the Rome magistrate kidnapped a week ago by the Red Brigades and now undergoing a "people's trial."

So far the terrorist group has not set out specific terms for his release, but the Government has been strained by differences between the coalition parties over how hard a line to take when the demands of the Red Brigades are made known.


Marco Cattin . . . caught

Curbs on NZ butter attacked

By Richard Mooney

The EEC's failure to agree on long-term access for New Zealand butter was attacked yesterday by Mr. Ken Mehrtens, chairman of the New Zealand Dairy Board.

Speaking in Wellington following Thursday's decision in Brussels to extend access for January at the 1980 quota level, he described the approach of some EEC members (meaning France) to this question as "ridiculous."

The Dairy Board chairman noted that the original proposal covered access for five years. "Last month some of them were talking of three or four years; a week ago they were talking about one year, and now it's only a month—commercially this is completely unreasonable," he declared.

Until Thursday, France had vetoed proposals for the continuation of New Zealand butter imports completely.

Though it has now conceded that a twelfth of the 95,000 tonnes 1980 quota can be allowed in during January, its insistence that no long-term agreement be made is expected to be maintained when the subject comes up again at next month's meeting of Community Agriculture Ministers.

Mr. Mehrtens applauded the stand taken by Mr. Peter Walker, Britain's Farm Minister, in support of New Zealand's imports. Mr. Walker told Thursday's Council meeting that the New Zealand butter trade with Britain would not stop.

Mr. Brian Talboys, New Zealand's Deputy Prime Minister, described the outcome of the Brussels talks as "frustrating." The situation required a lot of patience but the New Zealand Government would not relax its efforts to secure continued reasonable access for its butter.

Syrian soldiers killed in Israeli commando raid into Lebanon

BY IHSAN HIJAZI IN BEIRUT

THREE Syrian soldiers and a number of Palestinian guerillas were killed yesterday when an Israeli commando force backed by helicopter gunships struck at targets in southern Lebanon.

Damascus Radio confirmed the deaths of the Syrian troops, and the Lebanese Government said it would be lodging a strongly-worded complaint with the United Nations over what it termed "overt Israeli aggression." Israel said one of its soldiers had died and three were wounded.

The Israelis hit at least four targets north-west of the Litani River about nine miles from the Israeli border. The targets were located in the villages of Al Mahmoudiyah, Aishiyah, Al Khardali and Al Bayadah.

An Israeli military official said the positions attacked were Palestinian guerrilla bases, and that casualities had been among Palestinians.

This has brought to 14 the number of people killed in Israeli or Israeli-backed raids in Southern Lebanon within 48 hours.

On Thursday, a combined force of Israeli troops and Lebanese Christian Rightist militiamen attacked five villages with the zone controlled by the United Nations Peace-keeping Force, killing four Lebanese and destroying nine houses. Major Saad Haddad, commander of the Israeli-supported Christian militias, said the buildings were used by "terrorists."

The attack came with a few hours of a resolution by the UN Security Council extending the mandate of the Peace-keeping Force in Lebanon for another six months.

Our Tel Aviv Correspondent reports: The Israeli Labour Party wound up its convention here yesterday, with the rift between Mr. Shimon Peres, who was elected party leader by more than 70 per cent of the delegates, and Mr. Yitzhak Rabin, who had been his challenger, still as wide as ever. Mr. Rabin has made it clear he will not make his peace with Mr. Peres, despite the latter's offer of reconciliation.

Portugal's NATO spending rises to £363m

BY DIANA SMITH IN LISBON

PORTUGAL'S share of NATO spending rose to \$843m (£363m) this year. Although the lowest European contribution after Turkey's, it represents almost 5 per cent of the country's gross domestic product and an increase of \$342m in annual outlays since 1974, when the 48-year dictatorship was overthrown by a military coup and the colonial wars ended.

The country is fully committed to continued active participation in NATO, and its Atlantic archipelago of the Azores as well as its own geographical location are considered of growing strategic interest.

Informal talks have been held on the question of making Portugal a repository for nuclear weapons at some future date.

The President of the Republic, General Antonio Ramalho Eanes, has made it clear that were such a request made, the public would be fully consulted before a decision was taken.

Portuguese installations are already being used for repairs to NATO jet aircraft, and U.S. companies are seeking joint ventures with Portuguese industries for the manufacture of ammunition and light military equipment.

At the height of the 1974-75 revolution, when the Communists were making a drive for absolute power and the Portuguese armed forces had fallen into disarray with soldiers and officers spending more time at political meetings than on the parade ground, Portugal represented a severe problem for the Alliance.

With the rise to power of Gen. Eanes, however, the armed forces were re-organised and largely depoliticised. Today, Portuguese troops are able to share in joint NATO manoeuvres on a professional footing and—assuming the political situation remains stable enough to merit the confidence of the increasingly right-wing general staff and middle-ranking officers—the country should remain a stable NTO partner.

Money supply target rises

By John Wicks in Zurich

THE SWISS monetary base is intended to expand by an average of 4 per cent in 1981, according to the country's national bank, the rate is above the medium-term aim for the development of money supply.

The national bank and the Government do not plan any change in monetary policy. A communiqué issued yesterday says this will continue to be geared to the gradual reduction of inflation.

Should serious disturbances occur on the foreign exchange market, however, the national bank says it will continue to reserve the right to diverge temporarily from the money supply target.

This year, the Swiss monetar base expanded by only an average 2 per cent. This growth rate was only half originally anticipated for 1980, the result both of exchange-rate developments and the fact that bank note circulation rose more slowly

Pipeline sabotage stops Iraq oil flow

BY OUR FOREIGN STAFF

IRAQ has been forced to halt its oil exports through Syria to the Mediterranean because of sabotage to a pipeline. The Baghdad Government has not commented officially but it is understood that the pipeline from Kirkuk to Banias was blown upside Iraqi territory.

Since the start of the Gulf war, Iraq's only oil outlets have been through Turkey and Syria. For the first eight weeks of the war Iraq was unable to export any oil but then resumed pumping, first to Turkey and later to Syria.

Although the total capacity of the two pipelines, including the spur from Banias to Tripoli in northern Lebanon, which has not been used since 1975, would be about 1.9m barrels a day (b/d), the recent peak has been under 50 per cent of that figure.

The Syrian pipeline is thought to have been carrying at most 350,000 b/d, of which the Damascus Government takes a proportion for its own refineries. The flow to Turkey was reported yesterday to have picked up again after several days when the volume had dropped sharply.

Apart from the disruptive effects of Iranian bombing on oil installations, Iraq has also been suffering from increasingly serious power failures caused by the loss of generating capacity in the south of the country and in Baghdad.

Iraqi officials had been forecasting that its exports would reach 2m b/d in the new year, compared with 3.2m b/d in the period immediately preceding the outbreak of war. But with the Iranians able to block any Iraqi shipments trying to navigate the Strait of Hormuz and Iraq's terminals at the head of the Gulf damaged by enemy action, this target would seem many months away.

The loss of oil revenues is unlikely to affect Iraq's ability to continue the war for the next 12 months, but it has been forced to restrict the use of private cars because of the difficulty in obtaining sufficient refined products.

Terry Dodsworth adds from Paris: Oil company officials confirmed yesterday that the oil flow had stopped, adding that no reasons had so far been given for the interruption. It was widely speculated that the Kirkuk oil wells had been hit earlier in the week, during an Iranian attack.

Deadlock over key issues in Vienna troop cut talks

BY PAUL LENDVAI IN VIENNA

THE 22ND ROUND of the 19-nation East-West force reduction talks in Vienna ended yesterday with no sign of a break in the deadlock over the key issues of troop data and associated control measures.

Though the NATO spokesman, the Dutch Chief delegate, W. De Vos Van Steenwijk, acknowledged that the East made some moves "in the right direction," he firmly rejected any agreement without consensus on just how many soldiers each side had stationed in the area of reductions.

The West claims that the Warsaw Pact has at least 140,000 more troops than it admits—a statement vehemently contested.

In July and November this year the East moved somewhat closer to the Western position, but only on marginal issues. It accepted that the duration of a so-called Phase One Agreement—involving only Soviet and U.S. troops—should be three years and that the freeze on force levels would be collective.

But the East still wants a freeze without agreement over the crucial issue of force data.

Soviets blamed over lack of progress in Madrid

BY OUR MADRID CORRESPONDENT

IN A HARD-HITTING resumé of the six weeks of talks at the Madrid Conference on Security and Co-operation in Europe, a leading British diplomat has blamed the Soviet Union for the lack of real progress.

On the final day of the conference, Mr. John Wilberforce, deputy head of the UK delegation, said there had been "not even the smallest step forward" on such essential issues as human rights and the continued Soviet presence in Afghanistan.

He added: "We have been seeking assurance that the framework of the (1975 Helsinki final Act, will be respected in practice in the 1980s. We all know from which quarter the response has to come.

A less forthright condemnation of the Soviet Union came in assessments from other Western delegates.

The delegates from the 33 East and West European states plus Canada and the U.S., will now break until January 27. The respective governments now have to assess about 90 proposals for improving security and co-operation in Europe.

Conflict over Spanish steel strike support

By Robert Graham in Madrid

CONFLICTING claims came from unions and management yesterday about the strength of support for a 24-hour strike called at Spain's three integrated steel companies.

According to the main unions involved in the action, the call was widely observed with only essential maintenance staff working, but management claimed that the strike was less than successful.

The strike was called to pressure the Government and the three companies—Altos Hornos de Vizcaya, Altos Hornos de Mediterraneo and Ensidesa—into accommodating the unions' view on a major restructuring programme for the industry now under discussion.

The unions want to be included in talks on the scale of investment, financial reorganisation and future ownership as well as wages and manning levels.

At present Altos Hornos de Vizcaya is in private hands, although it is effectively nationalised as the State is its principal creditor. AHV's debts are estimated at Pta 40bn (£215m), of which some Pta 30bn are owed to the state.

The unions have promised further action if this strike fails to win concessions.

Dutch MPs pass liberal abortion law

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH parliament has approved by the narrowest of majorities a Government Bill to liberalise abortion law—an issue which has divided the political parties for the past decade.

Parliament approved by 76 votes to 74, a Bill proposed by the centre-right coalition Government of Christian Democrats and Liberals.

The passage of this Bill through Parliament represents a major victory for the Government only five months ahead of a General Election, and removes one of the major points of conflict between the two ruling parties.

The Bill first proposed in November, was modified earlier this week to satisfy Liberal Party objections.

The Government could still not count on the certain support of all Christian Democrat MPs ahead of the debate, but finally only two of the five known "dissidents" voted against.

Responsibility

MPs were called back from as far away as New York for the vote, while others were brought from their sick beds so that, for the first time in the history of the Parliament, all 150 members of the Lower House were present.

The new Abortion Act, which amends legislation dating from the turn of the century, brings the law more into line with present practice.

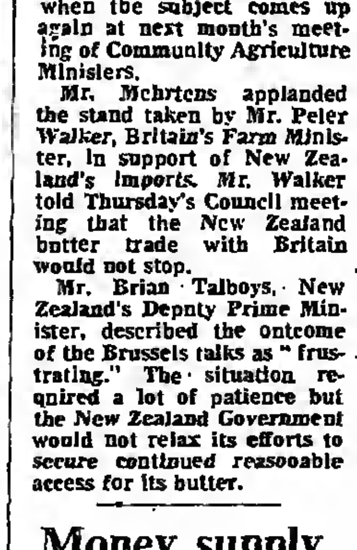
Responsibility for abortion is divided between the woman and her doctor and is only permitted if an "intolerable situation" would arise for the woman. A re-consideration period has been agreed, and a limit of 13 weeks set on an abortion in most circumstances.

The new law does not go far enough for many people, however. Some pressure groups concerned with sexual reform and abortion want the decision to rest with the woman alone, and are opposed to sanctions being taken against those who overstep the legislation.

Many people feel the new law will have no impact on the existing liberal abortion climate.

Personal success

The passage of the Bill is Prime Midgivkuamob mfd gkb also a personal success for Mr. Dries Van Agt, the Prime Minister, who is a Roman Catholic. His own political career has been closely bound up with the abortion issue. At one stage, he considered resigning over his failure to close a clinic performing many abortions for foreign women.


Mr. Andries van Agt

Morocco extends limits of territorial waters

BY OUR RABAT CORRESPONDENT

MOROCCO has created an "exclusive economic zone" extending 200 nautical miles off its Atlantic and Mediterranean coasts, under special legislation adopted unanimously by the country's Parliament.

Until now, Morocco's territorial waters have extended 12 nautical miles with an "exclusive fishing zone" of 70 miles.

The new legislation gives Morocco exclusive rights to all mineral as well as fishing resources, in the sea, on and beneath the seabed, and stipulates that the zone cannot be explored or exploited economically without Morocco's authorisation.

It applies to both Mediterranean and Atlantic coastal waters, including those off the coast of the disputed Western Sahara, where the Algerian-backed Polisario Front is fighting Morocco for independence of the desert area.

The Polisario has attacked Spanish, Portuguese and South Korean fishing vessels off the Western Sahara over which it claims sovereignty and has captured their crews. Yesterday 36 Spanish fishermen taken prisoner several months ago were flown back to Madrid from Algeria, after Spain and the Polisario had signed an agreement re-iterating Madrid's support for independence for the Western Sahara.

Numerous foreign fishing vessels, mainly Spanish, have also been detained by Moroccan coastguards for infringement of fishing regulations. Recently, two Soviet ships and a Cuban trawler were intercepted and are now being detained for operating off the Western Sahara without permission.

Francis Ghiles adds: The decision by Morocco to extend to 200 nautical miles the limits of its territorial waters is likely to lead to many more incidents with foreign fishing vessels.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

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UK NEWS

Loyalist suspicions voiced over end of Maze hunger strike

Stewart Dalby looks at possible consequences of the 53-day fast for Northern Ireland

IT MAY be some time before it is known exactly why the seven original hunger strikers in the Maze Prison outside Belfast decided to end their fast.

Their decision, after 53 days without food, came at a time when one of their number was said to be close to death.

The Rev. Ian Paisley, Loyalist leader, suspects that Mr. Humphrey Atkins, Northern Ireland Secretary, has given away more than he has publicly *admitted*.

He feels that a secret pact has effectively met the hunger strikers five demands. They are considered tantamount to granting political status.

The Provisional Sinn Fein, the legal and political wing of the Provisional IRA, which has been speaking on the hunger strikers' behalf, was yesterday making jubilant noises about total victory.

Not only have the hunger strikers desisted but the "dirty" protesters—the 400 or so prisoners who have refused to wear prison clothes and have been smearing their cells with their own extrement—are also about to abandon their protests.

The original seven, in a statement relayed from the Maze, said: "Having seen the statement to be announced by Humphrey Atkins in the British House of Commons and having been supplied with a document which contains a *new elaboration* of their five demands which were first enumerated upon by Humphrey Atkins in his statement to the House of Commons on December 4 we decided to halt the hunger strike."

However, Mr. Atkins in reply to a question by Mr. Paisley in *the Commons yesterday said* that the Government statement on *December* 4 "remains in every particular the Government's position."

The Northern Ireland Office in Belfast made a statement yesterday about Mr. Atkins' broadcast to the people of Northern Ireland.

It said: "In the broadcast Mr. Atkins will spell out very carefully the kind of regime described in detail in his statement in Parliament on December 4.

"*Nothing has been added and nothing has been taken away from what was said on December 4.*

If that is correct, then the hunger strikers have lost and the Government won. For, in the December 4 statement on the key question of the prisoners fight to wear their own clothes, the Government conceded that *they could* wear their own clothes in limited periods of association in the evenings and at weekends.

Otherwise, they would wear civilian clothes issued by the authorities, during the working day. The statement also said that there would be some *kind* of work although it was vague about the kind of work. The prisoners were demanding the right not to work.

Yet, if it is true, that the prisoners had capitulated to an offer which is the same as the December 4 statement, why then did they throw it out just over a week ago when a Northern Ireland Office official visited the prison?

And what did Cardinal O'Fiaich, the Primate of All Ireland mean *when he said* in Dublin earlier this week that Mr. Atkins had *shown him a* "document" which contained "new proposals" which could form the basis of a solution?

It is possible that the prisoners agreed to the same proposals a week after they were first offered because they realised Mr. Sean McKenna, the weakest of the hunger strikers, was very close to death and that their bluff had been called.

Alternatively, perhaps Mr. Atkins *while sticking rigidly to* his original proposals for the moment, had indicated in some way that there could be a little more later because he had said that prison conditions will be subject to a continuing review.

Whatever Mr. Atkins may, or may not, have held for the future, the Government has clearly won the semantic victory. Political status has not been granted. The Republicans, whatever they may say, have suffered a severe propaganda blow. The key question is what *happens now*?

In trying to answer this, it can be misleading to look for total identification between the political aims of the hunger strikers and the military capabilities of the Provisional IRA.

It is true that six of the seven *original strikers are* members of the Provisional IRA. Provisional Sinn Fein has made no secret of the fact that it initially opposed the strike arguing that if it failed—that is if the strikers did not actually die—then the adverse publicity effects would totally nullify the benefit.

The Provisional Sinn Fein has been at great pains to tell observers that the prisons campaign has not been orchestrated from outside and that the decisions have been taken by *prisoners*.

The role of the Provisional IRA in this has not been entirely clear, although the organisation has realised that a campaign of violence would be counter-productive in Northern Ireland because the sympathy among the community, built up because of the hunger strike, would be dissipated.

Similarly, to have launched a campaign in mainland Britain could have driven the Government into an intransigent position.

Had any of the hunger strikers died, the situation *would* have been transformed. The republicans would then had their martyrs and could have bombed with a certain impunity knowing that they would not totally erode sympathy.

The Army and police believe the Provisional IRA had the *capability* and the *material* to launch campaigns in Northern Ireland and in Britain this Christmas.

However the likelihood now is that the campaigns would probably be suspended because *there* would not be the back-up of sympathy now the hunger strikes have ended. On the other hand, it might be too late to halt already *formulated* plans for a campaign in Britain.

Old Vic will lose Arts Council grant

By Antony Thorncroft

THE OLD VIC and 40 other arts bodies are to lose their Arts Council grants. The council is dropping a sizeable number of its 1,200 clients from its list of 1981-82 commitments though its grant from the Government for next year has been increased by 12 per cent to £77.75m.

However, the council has named 46 organisations which will get more than the average 12 per cent grant rise in 1981-1982.

The Old Vic, which received £300,000 from the council this year to help its touring policy, has been axed not so much because of a fall in its artistic standards but because of its financial success this autumn, especially with the Peter O'Toole production of Macbeth.

The Old Vic said yesterday *that the loss* of the Arts Council money might well force it to stop touring after May. Another company, Action Space, said it probably could not continue.

Provincial orchestras and dance companies are among the beneficiaries of extra cash. The Arts Council will save £1.2m for distribution elsewhere by cutting its commitments.

Unclaimed rebates

MORE than a million people ...in England and Wales did not claim rate rebates to which they were entitled in 1979-80, according to Environment Department statistics.

Out of an estimated 4m households which were eligible, 2.7m claimed rebates. The average payment was £66. Most recipients were local authority tenants.

Six authorities paid average rebates of £100 or more. They were Epsom and Ewell, £116 (where the average domestic rate bill was £258); Lambeth £104 (average bill £206); Camden £108 (average bill £310); Stevenage £102 (average bill £220); Islington £101 (average bill £246); Welwyn Hatfield £100 (average bill £226).

Talbot halted

THE BBC won the first round of its legal action to stop the Talbot motor company using the name "Carfax" for a car parts enterprise it proposed launching early next year.

A High Court judge in London *granted an* injunction which lawyers said would stop Talbot using the name Carfax —the term the BBC has used in its development of a system providing motorists with information on local traffic conditions.

Orders fall

THE POOR OUTLOOK of the British engineering industry *was again confirmed* yesterday with the publication of the latest *Government statistics*.

The domestic order book from July to September dropped 11 per cent compared with the three months to August when new orders declined 11.5 per cent. Orders also continued falling faster than sales which were down 1.5 per cent.

Merger planned

THE DIRECTORS of the Dunfermline Building Society and the *Edinburgh* and Paisley Building Society are to suggest a merger plan to their members which would result in a society with combined assets in excess of £130m from May.

Villagers told not to grow vegetables

By Robin Reeves

RESIDENTS of the Somerset *village of Shipham are advised* to stop growing most vegetables and to grass over their gardens because of "very heavy but uneven" cadmium and lead contamination of the soil.

The recommendations, in a Government report published yesterday, follow a detailed environmental investigation of the village. It *was discovered* nearly two years ago that *Shipham soil contained high* concentrations of various metals—the result of past mining activities.

The investigation by scientists from the Environment, Health and Agriculture Departments, concludes that there is no evidence of any current general health problem related to the heavy metal contamination.

It emphasises that only 76 *out of more than 1,000 residents* have lived in Shipham *for more than 30 years. The* effects of any intake are *unlikely to become evident in a shorter period. High cadmium* intake can affect blood pressure and kidneys.

To reduce any possible long-term risk to health, the report says residents should not grow or eat village-grown cabbage, spinach, lettuce, kale, spring greens, rhubarb, celery and potatoes. Other *vegetables are less dangerous* but still tend to raise concentrations of cadmium or lead.

The report also suggests vegetable plots and flower beds be grassed over, where possible, to reduce the risk of children, particularly toddlers, eating soil, either deliberately or as dirt sticking to hands and sweets.

Shipham's water supply and household dust are given a *clean bill of health.* The results of air tests are not yet available. The report emphasises that the cadmium and lead are usually tightly bound to rock and soil fragments. Consequently, only a small proportion is free to be picked up by vegetables.

The report adds that residents would be unwise to *smoke cigarettes* — 20 untipped cigarettes a day will increase average cadmium intake by 50 per cent.

Mr. Jonathan Thomas, chairman of the official survey committee, said he and his colleagues would also recommend long-term monitoring of the area.

A final report of the *investigation* will be published early next year.

Lloyd's relaxes rule on outside investment limits

BY JOHN MOORE

LLOYD'S OF London, the insurance market supported by a private membership, has relaxed a controversial rule which limited investment, by outsiders, in Lloyd's insurance brokers to a 20 to 25 per cent shareholding.

The move follows the announcement this week of a planned $1bn merger of Sedgwick Group, the UK's largest insurance broker, with Alexander and Alexander of the U.S., the world's largest insurance broker.

A Lloyd's official described the 20-25 per cent requirement as "an unsatisfactory rule." Mr. Peter Green, Lloyd's *chairman*, stressed last night that the rule had been under review for some time and had not been prompted by the Sedgwick and Alexander and Alexander proposed deal.

"We have been talking about this for about a month," he said.

The rule was reviewed after the approval of new self-regulatory measures at a special meeting of Lloyd's members at the Royal Albert Hall. "We all realised that the rule set out to exercise a measure of control in the *market* but one became aware of the tremendous difficulty in trying to implement it," said *Mr. Green*.

The 20 to 25 per cent rule is not to be abandoned. But if non-Lloyd's concerns agree to abide by a series of undertakings, the previous limitations need then not apply.

The undertakings accept the Lloyd's ruling committee's discretion in such areas as the suspension or exclusion of firms if they do not observe Lloyd's rules, or the suspension of any employees if they are guilty of misconduct.

The undertakings require that non-Lloyd's concerns do not *interfere with the management* or business of the underwriting agencies.

Lloyd's provoked an international insurance row when it promoted the shareholding rule in 1978. A number of overseas *insurance interests*, who were seeking to take over Lloyd's companies, saw the move as a protectionist one.

The effect of the decision was to block a number of U.S. takeovers of Lloyd's brokers and other acquisitions.

Since then, Lloyd's has relaxed the rule, which it said it introduced to bring some control in the market. U.S. brokers who have taken over Lloyd's brokers have also found a way to retain all the economic benefits of full ownership of a Lloyd's broker while seeming to comply with the Lloyd's rule.

More UK news, Page 22

Taiwan told to drop false labels on exports

By John Hunt, Parliamentary Correspondent

MR. CECIL PARKINSON, the Trade Minister, yesterday issued a blunt warning to the Taiwanese about textiles *and* brake pads which they had been *exporting* to the UK labelled "Made in Britain."

"*I* serve notice on the Taiwanese Government that they are going to have to mend their ways," Mr. Parkinson told the Commons. "I must tell the Taiwanese authorities that our patience is wearing extremely thin."

His department was considering evidence which had been gathered on what he described as the "counterfeiting" by Taiwanese manufacturers. *He said the Government* of Taiwan now had an opportunity to avoid a major incident by taking strong preventative action along lines already adopted by Hong Kong.

Mr. Parkinson did not specify what type of counter action Britain was prepared to take. It is understood that there is no suggestion of Britain banning imports from Taiwan.

The Minister's *remarks* were aimed primarily at influencing the Taiwanese Government which is eager to be accepted as an *important* member of the international trading community and is *therefore* very sensitive to Western opinion at the moment.

● A warning that the heavy cuts in commuter rail services proposed for Greater London may have to be applied to other parts of the country, was given yesterday by Mr. Kenneth Clarke, Under-Secretary for Transport.

He acknowledged that *MPs* in all parts of the Commons were *concerned about the reduction* in BR services in London, but said "*similar adjustments* may have to be made in other regions."

● The BBC proposal that an independent body of "three wise men" should be set up to decide the level of licence fees each year, was given a cool reception in the Commons yesterday by Mr. Leon Brittan, Minister of State for the Home Office.

There were obvious difficul*ties surrounding the suggestion*, he said. He agreed that such a body *could* give an opinion on the efficiency of the BBC and the viability of the proposed licensing fee.

"But it might be difficult to go beyond that and express a view on the share of national resources that the BBC should have," he added.

Metro sales healthy but output ceases

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

PRODUCTION of BL's Metro remained at a *standstill* yesterday although it became clear that the car will capture about 10 per cent of new car sales in December.

This is the first time a BL car has been in such a position since the early days of the 1100-1300 range 10 years ago.

As a *result of the Metro's* better-than-expected reception, BL's share of the *new car market* in December has been *boosted* to more than 22 per cent and will probably remain *there for the rest of the month.*

Some 3,000 employees were laid off at the Longbridge plant yesterday because the final trim and assembly lines have not operated since Monday night following a strike by 1,400 men in protest at BL Cars' decision to discipline 11 workers.

More will be laid off at the *beginning* of *next* week *even* though the plant is due to shut down for the *Christmas-New* Year break until January 5 after the day shift on Tuesday.

Output of more than 3,000 Metros has been lost this week and work on the Mini, BL's second best-selling car, has also been halted.

The only change likely before the holidays is that the Transport and General Workers' Union *may* well *declare* the stoppage official on Monday after*noon following* a *meeting*.

BL Cars last night said stocks *of* the Metro were "healthy" but varied from region to region.

The targeted output had been reached earlier than expected and more than 30,000 Metros had been built before the dispute hit Longbridge this week.

New car sales in December are expected to reach around 50,000 against 67,000 for the same *month* last *year*. Ford so far has taken 36.5 per cent *thanks to the new Escort* and the introduction of the low-priced Fiesta Popular.

Insurance solvency laws

BY ERIC SHORT

INSURANCE COMPANIES in the UK will, for the first time, have the solvency requirements of their life business controlled by legislation under the terms of the Insurance Companies Bill published yesterday.

The Bill provides regulations for the nature and location of insurance companies' assets. It is being introduced to implement the EEC life establishment directive, the first directive to be made on life business.

There have been a few other directives on non-life business, but these have been implemented in the UK by means of Regulations or Statutory Instruments. The Government has also taken the opportunity of tidying up the non-life business and completely implementing non-life directives.

Coral sells London club

BY ANDREW FISHER

CORAL Leisure Group, now being *acquired by Bass*, has begun its withdrawal from the casino sector by *selling* one of its London clubs, the Palm Beach, to the Mecca entertainment subsidiary, Grand Metropolitan.

Another Grand Met company, Gordon Hotels, already owns a third of the Palm Beach, which operates in the Mayfair Hotel.

Coral's decision to sell off its casinos, of which there are *still* three in London, four in the provinces, and one in Spain, follows Bass's *unwillingness to* enter the controversial gaming industry through its takeover.

The Palm Beach was one of *three* Coral clubs in London for which licences were cancelled by magistrates in September after massive police raids late in 1979.

But the magistrates did not *disqualify* the premises for use as casinos, which they could have done *for* up to five years.

Mr. Max Kingsley, joint managing director of Mecca, declined yesterday to say how much the company was paying for the remaining two-thirds of the club.

Coral is *appealing* against the licence cancellations. Mr. Kingsley *said yesterday's purchase* of the Palm Beach was not conditional on the *Gaming* Board awarding the necessary *consent certificate* so *that* magistrates could consider its transfer to Mecca.

Grand Met's plan to open a casino in the Hilton Hotel in London was blocked by Westminster magistrates this summer, but the group intends to appeal.

Job matching scheme abandoned

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT'S employment services agency, the Manpower Services Commission, has abandoned plans to proceed with a computer-aided job matching system known as Capital and based in London. The system, which the MSC now says is not cost effective, drew strong opposition from civil service unions.

The Manpower Services Commission's Corporate Plan, which *was sent yesterday to Mr.* James Prior, Employment Secretary, states that *rising* unemployment and MSC cuts will "severely constrain" the use of Capital (Computer Assisted Placings in the Areas of London).

The corporate Plan says that the pilot "has shown limitations in the contribution Capital can make to the matching of people and jobs." Instead, plans will go ahead for the introduction in London by 1983-84 of a much less sophisticated Job Bank system, which is likely to provide simple details of job locations as opposed to trying to match qualifications to available work, which was Capital's aim.

Abandonment of Capital *means* that the Manpower Services Commission will now not be able to save the 150 staff it had envisaged. The cost of the job bank will be £4.7m in 1981-82, rising to £7.8m and then £5.1m in the following years.

The decision not to go ahead with the extension of Capital *could have repercussions* for the other computer systems the Government *is trying to* introduce in the Civil Service.

The plan, which will be discussed by *MSC* union leaders at a meeting on Monday with *Commission officials*, details where the 1,710 staff cuts to which the MSC has *agreed* can be made. This represents a 6.8 per cent cut, although Mr. Prior originally asked the Commission to examine an 8 per cent cut.

Sale of breathalysers 'dangerous'

BY JOHN GRIFFITHS

THE SALE of breathalysers, enabling motorists to test their blood alcohol level, would increase rather than reduce drink-related accidents, according to one of Britain's motoring journals.

Following experiments undertaken in conjunction with *the* makers of the breathalyser Popular Motoring warns that most motorists underestimate the amount of alcohol required to reach the legal limit.

He says motorists would buy breathalysers and use them to drink up to a *limit* higher *than* their previous self-imposed one.

The magazine urges that the existing UK limit of 80 milligrams of alcohol per 100 millilitres of blood should be reduced to 50mg/100ml.

"Most people seem to think that anything above two pints of beer, or their equivalent, will put them over the limit," it says.

"In fact, an average size man of around 13 stone could drink between four and five pints and still pass a breathalyser."

The magazine arrived at its findings by giving increasing amounts of alcohol to six journalists required to negotiate a test course devised by Lion Laboratories of Cardiff, the makers of the breathalyser, using Lion's diagnostic equipment to monitor them.

The tests found that body weight was "by far the most important" factor in how much alcohol could be absorbed.

Diving company cleared after fatal accident

BY OUR OWN CORRESPONDENT

A NORTH SEA *diving company* was cleared yesterday at Aberdeen Sheriff court of breaking diving regulations when an accident killed two American divers.

Following submissions by the defence, *Sheriff Alistair Stewart* told the jury that the Crown had failed to prove that Infabco Diving Services was the employer of the divers at the time of *the* accident.

He directed the jury to find the company of Hunters Green, Darlington, not guilty of four charges relating to breaches of diving regulations under the Submarine Pipelines Act.

But he said the Department of Energy should take note of the evidence given and *decide* "as a matter of urgency" whether regulations on the employment of divers should be changed.

And because of the case, which lasted five days, the Department of Energy's *diving* inspectorate was ready yesterday *to issue immediate* instructions to oil companies on the employment of divers.

Divers' employment will be covered by new legislation in January, which will bring all existing diving regulations under one law.

During the case, the company maintained that divers it used on the Thistle A platform site —where the deaths occurred in August 1979—were supplied by Offshore *Co-ordinators*, of Jersey.

The Court was told that the Department of Health and Social Security had agreed that the divers used by Infabco were self-employed from the end of *1978, and Mr. Brian Masterton*, Infabco director, denied that the Jersey company was simply a "paying agent."

In his judgment, Sheriff Stewart said there was *no direct* evidence of a contractual relationship between the company and the divers, nor was there evidence on who paid the divers or who gave *them their instructions*.

He "regretfully and reluctantly" had to conclude that the Crown had failed to provide sufficient evidence to entitle the jury to find that the company was the employer of the divers.

"It is clearly undesirable that persons responsible for providing diving equipment should be able to escape consequences of any breach of regulations applying to that equipment if such breaches occur."

Rolls-Royce may lose more big orders in U.S.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE, which has just lost to Pratt & Whitney the $600m order for engines for Delta Air Lines' Boeing 757 airliners, may lose other major orders in the U.S. market as a result of fierce price-cutting by its rival.

Studying

American Airlines, another big U.S. domestic operator, is on the verge of deciding on a purchase of up to 15 Boeing 757s, and top executives of Rolls-Royce believe Pratt & Whitney is offering to American the same favourable financial terms it offered Delta.

The Rolls-Royce sales team is believed to have been told by Delta in Atlanta that the Dash 535 version of the RB-211 engine was in no way inferior to the rival General Electric CF6-32 or Pratt & Whitney PW-2037 engines, but that the offer from Pratt and Whitney was so good that it could not be rejected.

American Airlines is understood to be studying the same kind of offer, and as a result, although Rolls-Royce is still fighting, it does not have much hope of winning.

Other U.S. airlines, all of whom are interested in buying the Boeing 757, are watching the bitter engine battle closely. They include Pan American (which recently acquired National), United, Continental, Western, North-west and Trans World Airlines, all of whom have Boeing 727s which the Boeing 757 is designed to replace.

They will all be obliged to choose an engine manufacturer and will study the Delta and American deals closely, in the hope of winning the same terms.

The question is whether Pratt and Whitney will be able to afford to give them the same kind of favourable treatment it is understood to have offered Delta and is now offering American.

Rolls-Royce itself has no recriminations about losing the Delta deal and the company yesterday dismissed suggestions that the U.S. engine companies were biased against Rolls-Royce as "ridiculous."

Mr. Dennis Head, managing director of operations, said in Derby that the company still expected nearly half the total world market for new short-to-medium range airliners to emerge in the years to come.

"We have always assumed there would be another engine (in the Boeing 757) and the loss of this business, although very unfortunate, has not caused us to revise our estimates. There is still 90 per cent of the market to go for."

Lord McFadzean, chairman of Rolls-Royce, is satisfied that the company's sales force did all it could to win the Delta order, and is still doing all it can to win the American order. "We intend to keep up the competition wherever it is," he said yesterday.

Backlog

In the meantime, the company made it clear that loss of the Delta order did not mean any losses of jobs in Rolls-Royce, which has a massive backlog of orders.

Mr. Jim Keir, Derby director of the Company, said: "However great our disappointment, this is not in any sense a death blow to Rolls-Royce. There are still lots of other opportunities and we are hopeful of getting that business."

Loss of £260m order comes as no surprise

Michael Donne examines the efforts of U.S. aero-engine makers to retain their hold on the domestic airline market

ALTHOUGH THE loss of the Delta Air Lines £260m engine order to the rival manufacturer, Pratt and Whitney, is a major disappointment to Rolls-Royce, it did not come as a surprise to the company's top executives.

They fought hard to win the order over many months, and had the satisfaction of knowing that the Dash 535 version of the RB-211 was acknowledged by Delta to be no less attractive technically than the rival General Electric CF6-32 and the Pratt and Whitney PW-2037.

But the dice were loaded against Rolls-Royce in various ways. First, the company was trying to sell its engine into the toughest market in the world, the U.S. domestic airline market, on the doorsteps of its two rivals.

While it had succeeded dramatically earlier, in winning the engine contract for the 757s for Eastern Airlines that very success drove its rivals to even more strenuous efforts to keep Rolls-Royce out.

Both the rivals were desperate to win the Delta deal, so as to launch their own engines in the new Boeing airliner. Although precise details of their financial offers are not known, it is widely believed that they cut their prices to the bone in a bid to win the biggest engine contract yet placed in civil aviation history.

Against such efforts, Rolls-Royce, suffering from the strength of the pound against the dollar, could hardly expect to win on financial grounds. It had to depend largely on the technical excellence of the Dash 535, coupled with the fact that it is already well down the development road, with several engines already running on the test-bed, and due to fly early in 1981.

But even Delta's experience with the RB-211 engine, in the more powerful versions in its fleet of TriStars, could not overcome the financial package offered by Pratt and Whitney.

Rolls-Royce has to face the fact that comparable competitive problems will play a large part in settling the other major engine contracts in the Boeing 757 that are expected to be placed soon.

Proposed

Both American Airlines and United Air Lines are looking for a new short-to-medium-range jet to replace ageing Boeing 727s, and they have the choice of either the Boeing 757 or the proposed new McDonnell Douglas twin-engined DC-XX.

All three engine companies are fighting for the power-plant orders, which could amount to several hundred million dollars.

Beyond those two airlines, the market for short-to-medium-range twin-engined jet airliners world-wide is expected to amount to over 1,000 aircraft through the 1980s, so that despite losing the Delta deal Rolls-Royce has substantial opportunities for other contracts in this field alone.

In addition, there is the continued possibility of new orders for bigger versions of the RB-211 in such airliners as the Lockheed TriStar and Boeing 747 Jumbo jet.

At least two airlines outside the U.S. have also yet to decide on engines for their new fleets of European Airbuses—Middle East Airlines of the Lebanon and Saudia of Saudi Arabia—and the RB-211 is fighting for these contracts also.

But the price factor in the Delta engines battle has illustrated starkly the need for Rolls-Royce to keep its costs down, and get its productivity up.

Mr. Dennis Head, managing director of operations, told a joint management and unions forum recently that the company's costs at the end of 1980 would be 6 per cent higher than predicted.

The most important challenge facing the company was the need to be more efficient and cost effective in using men, money and machines.

The company is thus running a major cost-control campaign throughout all its divisions and factories, while at the same time seeking to boost productivity.

The company has already done a great deal in this direction.

The work-load over the past year has risen by between 25 and 30 per cent, as the company tackled the huge backlog of orders built up in the late 1970s.

Engine orders at the end of 1979 amounted to £1.35bn, including military engines, but Mr. Trevor Salt, manufacturing director, told the joint meeting that while the increased work-load had already been largely met, there would be a further increase in workload through the early 1980s.

He made it clear that the company's aim was to get its productivity up to American levels by 1984.

At present, productivity was not matching that of its U.S. rivals. Mr. Salt said that a joint management-union visit to the U.S. in 1978 had established reasons why American competitors were more effective.

More output

The U.S. rivals achieved (at that time) 27 per cent more output per man due to better manufacturing methods (more multi-machine manning and faster feeds and speeds with machines), 14 per cent more output per man from higher attendance (lower absence, fewer holidays and a longer basic working week), 5 per cent more output per man due to the way in which workshop people worked together, and 2 per cent higher output per man due to lower scrap levels.

Working to correct this situation, Mr. Salt said the company was now "on course for being pretty close to the U.S."

The company had widened its manufacturing base. In addition to using traditional suppliers, it had placed contracts for RB-211 parts in its Winnipeg and Montreal plants in Canada, and placed parts orders in Europe and Japan, and was developing a plant in Miami.

The effect of these efforts is that while, during 1979, the total turnover of the company was £850m, in the first half of this year it amounted to £500m, and the company is aiming for a total 1980 turnover of well over £1bn, rising further in 1981.

The company recognises that the recession will not last for ever, and that sooner or later world air traffic will start to rise again sharply, creating a big demand for airliners of all kinds, and with them a demand for engines.

The re-equipment tide that has been rather slack in the past year is already showing signs of speeding up. Over the past three years, about 2,000 new airliners of all kinds have been ordered, but at least the same number again will probably be ordered by 1984-85.

Rolls-Royce will fight for its share of this business, so as to keep its factories filled in the mid to late 1980s.

But the management is making clear to the workforce that even the efforts of the past year must not only be sustained, but increased, if the company is to beat off the formidable competition from the U.S. across the entire civil and military engine spectrum.

Government abandons plan to tax all cars

By Lynton McLain, Transport Correspondent

THE Government has abandoned its plan to force car owners to pay tax on all cars they own, whether or not the cars are used on the road.

The plan was announced by Mr. Norman Fowler, the Transport Minister, in a consultation paper in July and was intended as a way of eliminating tax dodging.

Tax dodging costs the Exchequer up to £75m a year. But protesters—who sent the Minister 7,000 letters and petitions bearing 27,000 signatures—attacked the "principle" of the plan, the Transport Department said yesterday.

A "tax on possession," as the scheme was to be called, would have forced owners of old classic cars, motor dealers and those who laid up their cars for the winter to pay extra tax although these vehicles were not normally used on the road when tax, under present law, would be required.

The decision by the Government to drop its earlier plans was welcomed by the motoring organisations. The Royal Automobile Club said the decision was a "Christmas box to millions of law-abiding motorists, especially those on restricted incomes, including pensioners."

The Automobile Association said it had always maintained that such a tax would be "an unnecessary burden on law abiding motorists." As such it was "totally unfair."

The Government's original plan was aimed more at eliminating tax dodging than collecting revenue on top of that due from car owners under the present law.

However, because the tax on possession idea is to be dropped the Government now intends to step up its war on tax evasion.

Mr. Fowler said a "new blitz" on tax dodgers would be started. Campaigns to persuade car owners to pay vehicle excise duty had already been carried out in Nottinghamshire, Warwickshire and Lancashire. The south of England and a metropolitan county will be the next targets, in the new year.

Mr. Fowler said yesterday the Government had not intended to penalise the law-abiding motorist. He said it was now clear that the original proposals would bear hard on certain groups of motorists.

Ford talks on 9.5% offer break down

BY JOHN LLOYD, LABOUR CORRESPONDENT

TALKS between Ford and union officials representing the 57,000 manual workers at the company's 24 UK plants broke down yesterday when the company refused to improve its 9.5 per cent pay offer, or grant any reduction in the working week of 40 hours.

The executive committees of the 14 unions involved in the talks is to meet to discuss future strategy and mass meetings of workers will be held early in the New Year.

Union officials will ask their members at the meetings if they are prepared to take industrial action in support of their claim for around 15 per cent and a reduction of the working week to 35 hours.

Mr. Ron Todd, chairman of the Ford union side and a national officer of the Transport and General Workers Union said after the meeting that "if they (Ford workers) want a further improvement they will really have to fight for it. By mid-January, we could be in a confrontation situation with the company."

The union side yesterday told the company again that it would be prepared to discuss the company's problems—which include poor productivity and unofficial industrial action—with a view to agreeing a new disciplinary package, in return for an increased offer.

The company said it would be eager to discuss improvements in working practices with the unions, but was not prepared to commit itself in advance to extra payments.

The Amalgamated Union of Engineering Workers, the second largest union in the company after the TGWU, has already threatened strike action over the company's refusal to shorten the working week.

Delegates representing the 20,000 white collar workers at Ford will meet early in the New Year to consider what action they will take following their rejection of a 9 per cent offer.

The white collar unions traditionally follow the manual workers in decisions on industrial action, but their members have already voted by a ratio of two to one against the offer at mass meetings last month.

However, they will press hard for the company to improve its pension plan for the 2,000 white collar workers over the age of 55 which it wishes to take voluntary redundancy.

The unions are demanding that the company pay all workers who take redundancy the equivalent of a state pension over and above the Ford pension at an estimated cost to the company of £5m.

Merchant seamen plan action over pay claim

BY OUR LABOUR EDITOR

THE FIRST industrial action by merchant seamen in protest at a 10.5 per cent wage offer was planned yesterday in the North-East of England.

Some 4,000 seamen in the region are being advised by an action committee set up at South Shields to ban all overtime immediately and to refuse to go to sea from midnight on Monday until after the New Year holiday.

An immediate overtime ban could affect sailings this weekend. Initially, industrial action in the North-East would disrupt the schedules of colliers, tramp cargo and other short-sea trading vessels.

But passenger and cargo ferry services all round the coast may be dislocated during the Christmas and New Year holidays as other port branches of the National Union of Seamen make their decisions in the next few days.

Yesterday the union sent messages to its members on all ships explaining the executive's decision. It said industrial action had been decided upon, to include "guerrilla action, lightning stoppages, overtime bans and national and world-wide forms of action."

It added: "All members should support industrial action when called upon to do so. Members will be advised of developments."

A union spokesman said an overtime ban might be feasible even on the high seas, if the safety of ships was not jeopardised.

Yesterday the General Council of British Shipping, the shipowners' federation that negotiates national rates of pay with the merchant navy trade unions, said its offer of a 10.5 per cent increase was already more than the industry could afford to pay. A further statement is expected at the weekend.

The campaign of industrial action follows a ballot in which the seamen voted by 7,339 to 5,635 to support their executive's decision to press for a bigger increase. About 26,000 of the NUS membership was entitled to vote.

Tourism to UK falls 10% while Britons travel more

BY ARTHUR SANDLES

AIRLINES are bearing the brunt of Britain's declining fortunes in foreign tourism. Latest Department of Trade figures show that travel to the UK by air is suffering most.

The provisional figures for September show that there was a 10 per cent fall in visits to the UK from abroad compared with the same month of 1979. The total of 1.2m visitors compared with 2.26m trips abroad by the British—10 per cent up on the previous year.

Long haul air visitors to Britain fell off sharply. Visits from North America were down by 12 per cent and from the rest of the world (excluding Europe) by 16 per cent.

The number of Britons going to Europe by sea is rising. Visits to Europe were up by 6 per cent (EEC) and 15 per cent (rest of Europe).

The nine-month figures for UK tourism are less daunting than the September totals on their own.

During the first nine months the number of overseas visitors to the UK was 10.01m, a decline of just under 0.5 per cent compared with 1979. Visits from Europe were up, while those from North America fell.

Visits abroad by UK residents rose by 14 per cent—with a 24 per cent rise in the numbers going to North America.

Overseas visitors spent £2.37bn in the first nine months of the year, a 12 per cent rise, but UK spending abroad went up 34 per cent to £2.21bn. The £156m travel surplus compares with £466m at the same time last year says the Department of Trade publication British Business.

BA improves offer

BY OUR LABOUR STAFF

BRITISH AIRWAYS has made made an improved "final" offer to its UK workforce of a three-month pay freeze followed by a rise of 8 per cent from April 1.

The shop stewards' executive, representing the key group of engineering maintenance workers, yesterday accepted a recommendation from their negotiators to reject the offer. This will be put to meetings of the maintenance engineers early in the New Year.

Mr. Stan Havill, secretary of the joint shop stewards' committee for the maintenance workforce at Heathrow, said proposals for industrial action may be attached to this recommendation. But he stressed that no industrial action would be taken during the Christmas-New Year holiday.

"The airline has improved its pay proposals but it must make a pay increase from the beginning of the year," he said.

The offer, which covers just under 50,000 employees, was coupled with a further warning from the corporation about its severe trading position.

The airline had a £227m shortfall on budgeted revenue from April to October — £37m worse than the figure at September. It has already announced a pre-tax loss of £2m during April to September against a pre-tax profit of £71m for the same period last year.

The airline's previous offer involved a six-month pay freeze until July followed by an increase of 7.5 per cent. There would have been no increase in shift pay until July 1982. The new offer includes a rise in shift pay from July 1 of 8 per cent, or the equivalent of the Retail Price Index, whichever is lower.

The management has not yet formally made the offer to all its groups. Ten of the airline's 11 national sectional panels covering almost all the British Airways UK workforce have a January settlement date and are receiving the offer.

Domestic deliveries of furniture still down

BY JAMES McDONALD

DOMESTIC FURNITURE deliveries by British manufacturers in October remain at depressed levels and the industry's order book at the end of the month was considerably smaller than a year before.

Industry Department statistics published today in the official magazine British Business give the seasonally-adjusted index for deliveries in October as 90, three points lower than in September and 20 points less than in October last year.

The average for the August-October quarter was 93, 0.9 per cent less than in the previous three months and 16.8 per cent lower than in the same period last year.

The orders-in-hand index at the end of October stood at 58, two points lower than in September and 26 points down on the October 1979 level.

In the three months August-October, however, cautious restocking by retailers after bargain sales resulted in manufacturers' order books 4.8 per cent higher than in the previous three months. But they were still 37.8 per cent lower than in the same period last year.

Funds invest £264m abroad in third quarter

BY ERIC SHORT

LIFE companies and pensions funds invested £264m in overseas equities during the third quarter of the year, according to the latest issue of British Business published by the Departments of Industry and Trade.

Life funds invested a net £147m, compared with £105m in the second quarter, while pension funds invested £117m.

Life funds invested £238m in UK equities in the third quarter, while pension funds invested £207m, substantially higher than in previous quarters this year. General insurance funds invested only £26m in UK equities and £7m overseas.

However, gilts still accounted for most insurance company and pension fund investment in the third quarter. Life funds put £520m in medium-dated and £228m in long-dated securities.

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THE WEEK IN THE MARKETS

U.S. primes depress gilt-edge

LONDON

ONLOOKER

In a week when there was rather less trading than for some time past, there was nothing to push the mass of share prices very far from where they began. Statistics gave no decisive indication how close the economy was to the bottom of the recession; the Government and the CBI looked hopefully at next spring, but the Bank recorded in its Quarterly Bulletin—published on Wednesday that manufacturing output had fallen to the lowest level for 13 years and was very likely to be still lower next year.

Gilt-edged prices had been held down by the upward rush of the U.S. prime rate, and on Tuesday the Government Broker decided to drop his price for the £30-paid medium tap (Treasury 11¾ per cent 1989 A) by 5 points, selling perhaps £300m nominal at 25¼. Later in the week the New York bond market rallied in anticipation of the prime reaching a peak, and on Friday the G.B. was able to sell the tap out of 25¼.

Royal rights

An already flagging composite insurance sector this week received a nasty jolt from Royal Insurance's surprise £120m rights issue, which knocked the Royal share price by a tenth on Monday and upset other composites' prices, too. Earlier in the year the big insurance companies' shares were riding high on relatively buoyant earnings hopes—at least compared with the dismal outlook for most industrial companies. But the recent round of third quarter figures from the major composites made it clear that rising investment income is no longer compensating for weak underwriting results, and now Royal has confirmed the downwards earnings trend by officially forecasting a pre-tax profits fall from £131.5m to about £120m for 1980. So this has been far from a good time to be asking shareholders for a large chunk of new money.

Why does Royal want the extra capital? It apparently believes that 1981 will be a year when fortune will favour the brave. Around the world many insurance companies will find the going tough: they will be forced to be more profit-conscious in setting their premium levels, and their earnings and share prices will be low enough to make them more vulnerable to takeover bids. In these circumstances, reasons Royal, a big company with lots of capital behind it will be able to push up its share of the more attractive markets by being more competitive, and will be able to pick up acquisitions in key countries.

But until this week Royal has not been very well placed to embark on an expansion drive. Its solvency margin — the ratio of shareholders' funds to annual premiums—has been around 47 per cent against a sector average of about 56 per cent. While its margin has been entirely adequate for its recent fairly defense stance—it has tended to allow its market share to slip in recent years rather than chase less profitable business — it has decided that it must bump the figure up before switching to its more aggressive new role. Hence the rights issue, which raises the solvency margin by 9 points. But the decision has caught investors on the hop, and caused City analysts to ponder on the higher risks which Royal will be running.

BOC full year

BOC International's third quarter figures gave an early warning of profits decline, and the full year shows a fall to £61.5m from £71.7m pre-tax on the modified historical cost basis (charging full replacement cost depreciation) on which the group works out its figures. The downturn has been exacerbated by closure and reorganisation costs amounting to £7m taken above the line (another £10.6m of write-offs are crouching below) and by the high exchange rate of sterling on September 30 when BOC closed its books.

Gas volumes have been buoyant, despite the recession, and the group's medical side is going well. So the fall has come in welding and graphite. BOC is fortunate to be involved in a genuinely fast-growing market in the gases business, even in the UK and U.S. and Australia and South Africa are experiencing outright booms.

But the business is quite capital-hungary, and BOC is not yet earning the sort of returns which permit it to finance expansion from its own cash flow. The underlying rise in borrowings last year—leaving aside acquisitions and disposals—was over £50m, and debt is 80 per cent even of revalued current cost equity.

But the market seems most interested in the good current cost dividend cover—1.6 times even after extraordinary items. This is an advantage which investors, numbed by a recent series of dividend cuts, now greatly appreciate and it goes some way towards explaining the rerating of BOC shares over the past year. The yield on a dividend raised by a tenth is about 7¼ per cent.

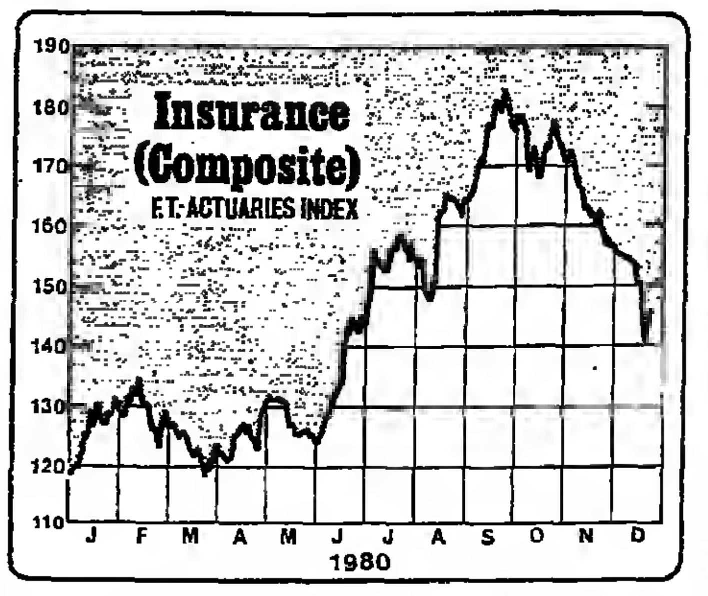
ACC's own iceberg

Few icebergs are given a chance to strike twice, but ACC's film "Raise the Titanic" is sinking fast and seems to have left the company badly stretched.

Losses in the film division, as well as the record business, have nearly halved pre-tax profits at the interim stage to £3m. Meanwhile the contribution from TV, which should have shown a marked recovery against the strike-hit period a year ago, was only a little higher.

But whatever is happening to the profit and loss account, the cash problem is more acute still. The group already has high gearing—net debt was roughly equivalent to shareholders' funds at the last year end—and debt has been increasing since then.

The pressure has forced the company to cut back on its ambitious film programme and it is also looking at the possible sale of Ansafone as a way of raising money. Since a lot of the debt is drawn down in the U.S., where primes have soared to 21 per cent, the pressure will have increased sharply in recent weeks.



The company apparently felt it could best further the interests of its shareholders by putting out an entirely inadequate four-line explanation of its performance. Some shareholders may begin to question why they have been left so ill-informed on the company's future strategy, especially as the interim dividend was halved as one measure to help stem the cash outflow. The share price plunged 20p to 59p on Thursday, and still further yesterday. Now all eyes are on the allocation of ITV franchises in a week's time.

Whisky worries

After this week there can be little doubt about difficulties in the UK whisky sector. On Thursday the Distillers Company revealed half-time figures which, not themselves ghastly, nevertheless suggest that harder times are on the way. Pre-tax profits for the six months to September 30 were down 3.7 per cent at £77.8m and turnover was virtually unchanged.

The company, however, after a cautionary statements in September, this week went further and predicted that "results for the year as a whole will fall substantially short of those of last year." It is anyone's guess as to how large the shortfall may be, but against last year's £193.9m pre-tax the company could drop to £170m or less this time around.

The problems which are plaguing Distillers and others include the volume-reducing impact of recession and high stock financing charges for customers. Destocking has been spreading and excess duties in the UK hardly aid an already expensive product. Some analysis put the potential volume decline at Distillers as high as 25 per cent this year.

In its first half Distillers seems to have taken more of the damage than may be apparent. Its pre-tax decline must be considered even worse than the £3m nominal fall because of the one-month strike in the corresponding period last year. The zero contribution from associated food interests, although representing a downturn of just £1.7m, adds to group problems.

But Distillers continues to enjoy a sound balance-sheet and a firm ability to cover its dividends. At yesterday's 188p, up 3p since the Thursday figures, the prospective yield of 8.3 per cent is still attractive.

Bloodied Borthwick

It has taken a plunge into net losses of £13m finally to bring home to Thomas Borthwick and Son the wisdom of making a fundamental change in the group's policy on trading in meat. The latest setback was caused primarily by a sharp fall in the beef price in the U.S. contrasting with a rising price in Australasia. The group's adoption of a system of pre-selling its meat reduces its exposure to price fluctuations at the final point of sale and working capital needs, although the group will forfeit high profits during a cyclical upswing.

This change in trading policy is the latest and most important step the group has taken to reduce its exposure to meat price movements. Accompanying the 1979-80 loss was news of board changes heralding a fresh approach to the running of the group's affairs. The Bank of England has been keeping a watchful eye on all the events and Coopers and Lybrands has been called in to take a close look at the group's structure. The objective here is to simplify the group's financing which at present is carried on though about 30 banks.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. Index	466.5	+6.3	515.9	406.9	Steadier; scattered features
A. B. Electronic	108	−38	200	108	Persistent selling
Allied Colloids	102	+18	138	84	Speculative demand
Ass'd. Communications A	48	−30	117	48	Reduced dividend and profits
BOC Int.	98	+12	98	56	Annual results above expectations
Davy Corp.	171	+40	175	76	Bid from Enserch Corp. of U.S.
Greenall Whitley	227	+19	227	157	Results/100% scrip issue
Guthrie	725	−50	912	628	Sime Darby sells 27.6% stake
Haoma Gold	172	+44	204	30	Australian buying
Hawthorn Leslie	132	+29	140	57	Bid from Starwest Inv.
Johnson Matthey	210	−20	284	102	£47m rights issue
Kitchener Mining	232	+82	390	11	Speculative buying
Lucas Inds.	189	−11	264	166	Chairman's cutback's warning
Monk (A.)	27	+8	47	19	Reduced half-year loss
Phoenix Timber	100	+25	147	75	Speculative interest
Record Ridgway	37	+19	37	15	Bid from Bahco of Sweden
Royal Insurance	353	−30	480	307	£116.3m rights issue
Sedgwick	113	−9	136	88	Merger plans with U.S. broker
Sovereign Oil	427	+70	500	101	7th round North Sea licence
Stocks (J.)	150	+47	150	77	Agreed bid by Fitch Lovell

Worries over that record 21½%

NEW YORK

DAVID LASCELLES

WALL STREET managed to put the brakes on the disastrous slide which took the Dow Jones down more than 100 points in only three weeks. But with the Prime Rate hitting a record 21½ per cent, and possibly worse to come, nobody is betting too strongly that there will be a rebound.

The market's behaviour on Thursday made this only too plain. Some heavy buying early in the day pushed the Dow up 14 points. But these gains evaporated in the afternoon amid hectic profit-taking, and the market closed virtually unchanged. Leaving aside the whole question of where the economy is heading, the cost of borrowing money to buy stocks has put a big dampener on investor enthusiasm. This week, the banks raised their so-called broker loan rate to a record 22 per cent. This is the rate at which they lend money to brokers who add a margin and lend it out to their clients. So the effective rate for most investors is now well over 22 per cent.

As the end of the Carter regime draws near, Wall Street is also focusing more closely on the nuts and bolts of his successor's policies.

President - elect Ronald Reagan's appointment of Mr. Donald Regan as Treasury Secretary was a good move from Wall Street's point of view. As chairman of Merrill Lynch, the U.S.'s largest stockbroker, he will be very much "their man" in the White House. He should also give the Administration a first-hand awareness of how badly the U.S. financial markets are faring.

News that Mr. Reagan may also declare an economic emergency when he gets to power also gave the markets a lift this week, though the biggest gains were registered not in equities as much as in bonds which surged on the prospect of lower interest rates. But this helped equities because it narrowed the yield gap.

The hope that rates are near their peak helped the stocks of big "money centre" banks recover some ground. These are the big institutions like Chase Manhattan and Morgan Guaranty who fund themselves mainly in the money markets rather than from low cost consumer deposits. So they tend not to benefit as much from high lending rates as smaller regional banks who obtain their funds cheap from individual depositors and put them out at today's astronomical rate levels.

Lower rates would also help the nation's utilities who have enormous borrowing requirements, and whose earnings have been squeezed by high financial costs. The Dow Jones Utilities Index was strong this week helped by American Telephone and Telegraph's record earnings of over $6bn, a sum which most companies would be happy to have as revenues, let alone profits.

The oil stocks were also strong on news of the OPEC price increase in Bali though they have yet to recover the ground they lost in late November.

But before anyone gets too excited about the gains, plenty of other industries are sliding in the opposite direction. The auto industry is cutting back and laying off for all it is worth, and the spectre of a Chrysler bankruptcy looms again. Even the electronics industry, one of the market's darlings, is in trouble because of a glut of electronic components. Christmas sales of electronic toys have been most disappointing, and Texas Instruments will cut work schedules by 17 per cent in January, an announcement which lopped $4 off its share price.

Eastern Airlines and Braniff, a Texas carrier, gave the market a jolt on Monday by saying they were thinking of merging into what would be the largest airline in the U.S. Braniff has been selling off large chunks of its jet fleet this year in an attempt to dig itself out of the hole it got into by over-extending its route network. So the news that it was looking for a partner came as no surprise. More intriguing is Eastern's involvement. The airline has been making a loss and is heavily borrowed. But Wall Street liked the idea and shares in both airlines improved.

CLOSING PRICES

Monday	911.60	− 5.55
Tuesday	918.26	+ 6.66
Wednesday	928.50	+10.41
Thursday	930.20	+ 1.70

Gold—down, but not out

MINING

GEORGE MILLING-STANLEY

MR. DAVID POTTS, chief gold analyst with Consolidated Gold Fields of London and author of that company's excellent survey of trends in the gold market, Gold 1980, has probably been sleeping a little easier this week than last.

At last week's annual commodity meeting of the Institution of Mining and Metallurgy (IMM) on the subject of gold, where he spoke on the supply of gold in relation to demand, Mr. Potts was reluctant to be drawn into making predictions of the course of the bullion price.

Since he was speaking on the very day when the price dipped below the $600 per troy ounce level for the first time for a month, that reluctance was understandable.

Questioned about his views on the recent sharp increases in U.S. interest rates, which were a prime cause in the steep decline in the bullion price, Mr. Potts said that he did not think they would remain at the present very high levels for too long, and added that this was likely to cause renewed demand for gold and thus boost the price.

The furthest he was prepared to go towards making a near-term forecast was to say that he would be "very surprised" if the bullion price went much below $550 per ounce.

This week, Mr. Potts' confidence in the resilience of the price has been vindicated. The price has not been fixed below the $550 mark since May, although it did sink to $549.50 in early trading on Friday of last week.

Since then the price has rallied, and regained much of the ground it lost when interest rates in the U.S. began their latest upward spiral.

For the longer term, it is worth remembering that at the time of the publication of Gold 1980, back in June, Mr. Potts warned that there were factors in the bullion market which could delay for as much as four years what he regards as the inevitable march of the price beyond the $1,000 level. And this was said at a time when all the talk was of gold at $1,000 by Christmas.

The investor in gold shares will have been much more concerned over the past fortnight at the even steeper decline in share prices, which at one stage cut well over 100 points off the Gold Mines index in just five trading days.

Some of this ground has since been recouped, but over the past few months there has been a slight narrowing in the premium gold shares have been enjoying over the bullion price.

The relationship between the shares and the metal has historically been much closer than it has since September, and there have been suggestions that the shares might be somewhat overvalued relative to gold. Signs of a move towards the re-establishment of the traditional close relationship are thus to be welcomed.

One point to watch out for—some months ago, this column advised investors to take some of the profits they had accumulated in gold shares, and thus lighten their holdings. The restitution of the historical parity between bullion and share prices, if it comes about, would be an obvious indicator of the time to replenish one's portfolio.

Bullion's recovery from around the $550 mark seems to lend support to the view that that level should he regarded as the current floor price. Certainly most of the speakers at the IMM seminar were of the opinion that central bank buying and long-term private investment would probably prevent any significant fall below $550.

While some people may be tempted by U.S. interest rates of 21 per cent or even higher, Mr. Potts was confident that what he defines as "investment/speculative demand" will increase in the U.S. while inflation remains high, and that American investors will become the main components of long-term investment in gold during the 1980s.

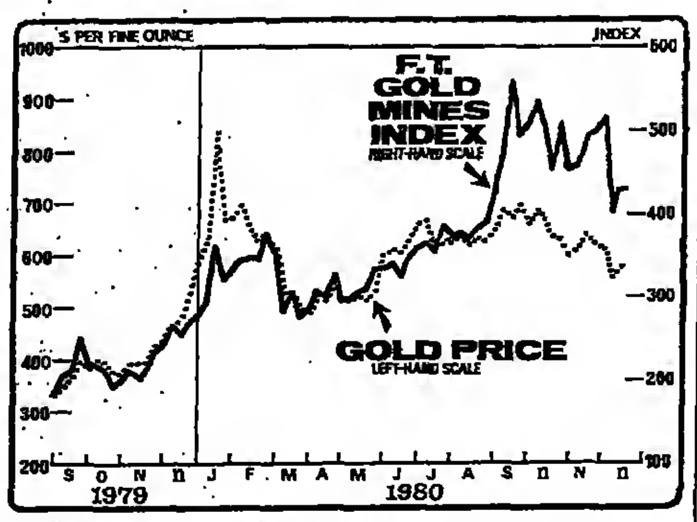
Mr. Dennis Etheredge, head of the gold and uranium division of Anglo American Corporation of South Africa, agreed with this, and predicted that U.S. citizens would take over the dominant role which has been played in the past by the Indians, the French, and more recently the Germans.

"If even 1 per cent of the money in U.S. pension funds were invested in gold, it would be enough to tear the market apart," he said.

Mr. Etheredge went on to say that, taking a quarter of a century view, he sees a considerable reduction in gold output, while not disputing that there will be increases over the next couple of years.

Dr. Fred Collender, of M. and L. Doxford, the commodity brokers, attributed this to the fact that cost pressures will catch up with and force the closure of a number of small and speculative enterprises which have jumped on the gold bandwagon this year.

Dr. Collender forecast that non-communist gold production this year would fall to 947 tonnes from 1979's 960 tonnes, and then rise in 1981 to 969



tonnes, mainly as a result of new capacity coming on stream in Australia, Canada and the U.S. This will be followed by an even bigger rise, to 1,000 tonnes, in 1982.

He said that he could not foresee any rise in total South African production over the next couple of years, as new mines such as Deelkraal and Elandsrand will just be compensating for the fall in gold grades at most of the other mines.

Most of the rise in output, he said, will come from Central America, where he sees production increasing from 1979's 65 tonnes to 106 tonnes by 1982. This will be mainly accounted for by Brazil, which is now the fastest-growing gold producing area in the world.

While no-one at the seminar was prepared to accept suggestions that Brazil's output will rise to 300 tonnes by 1985, there seemed to be general agreement that the country could be producing as much as 100 tonnes a year by the end of the decade, which would make it the third largest producer in the world after South Africa and the Soviet Union.

This would push Canada into fourth place, despite Dr. Collender's prediction that Canadian output will rise from 49 tonnes last year to about 61 tonnes by 1982.

Any falls in production, whenever they occur, are unlikely to lead to shortages of supply, however. Mr. Potts suggested that of the 80,000 to 100,000 tonnes of gold that are estimated to have been mined in the whole of history, about half could well be in the private sector, as only around 30,000 to 40,000 tonnes are reliably known to be held in official reserves.

"At a price," he said, "there will always be gold coming onto the market from private hands."

Mr. Etheredge pitched his estimate of the total amount of gold mined a little higher, at 116,000 tonnes. Looking around him at the gold-bedecked ceiling and picture frames in the Livery Hall of London's Goldsmiths' Hall, where the seminar was held, he pointed out that much of this gold was not readily available to the market.

He added that he had always been amazed that as much as 70 tonnes of gold goes into people's teeth each year.

The price at which gold now in the private sector would come onto the market is, of course, anybody's guess. Mr. Potts is already on record as saying that the $800 to $850 level would cause a sizeable shakeout, which would come about as those who came into the market near the top earlier this year, and have since seen considerable falls in the value of their holdings, take their profits while they are there to be taken.

The effect of this on the price, however, is likely to be countered by another surge of new entrants to the bullion market, attracted by the widespread publicity that will again be given to gold as a medium for investment and speculation.

● Mr. Etheredge had another opportunity to air his optimism about gold this week.

As chairman of six gold mines in the Anglo American group, Free State Geduld, Free State Saiplaas, President Brand, President Steyn, Welkom and Western Holdings, he wrote in the latest annual report that "the future of gold is assured, and despite short-term speculative influences, the long-term trend is distinctly bullish."

In confirmation of this view, most of the six have large capital expenditure programmes designed to boost output.

South Africa's second largest mining house, General Mining Union Corporation, also made clear its faith in the future of gold this week with the announcement of capital spending amounting to R120m (£68m) to increase production at four of the group's mines, Grootvlei, Kinross, St. Helena and Winkelhaak.

A Friday morning special

BY RICHARD LAMBERT

JUST AFTER 11.20 on a Friday morning is not normally a moment for a company to announce a major rights issue. Johnson Matthey had been planning to disclose its funding plans next Monday, but its hand was forced by an apparent Press leak on Thursday.

After some swift work on Thursday afternoon, Johnson Matthey's advisers recommended yesterday morning that the issue could and should go ahead immediately, in order to avoid a false market.

"There will certainly be an investigation," says the group's chief executive Mr. H. R. Hewitt. "Some of the figures quoted in the press were too near the mark to be a coincidence."

The leak is of more than academic interest to management. The original plan was for the issue to be underwritten at 190p to 195p. But the shares fell sharply on Thursday, and the underwriters are now being asked to guarantee 184p. But for the leak the issue would have brought in at least £2m more.

The issue will raise around £47m, and comes less than two years after Johnson Matthey raised nearly £20m in another rights offering. Over that period, the group has expanded very rapidly in terms of profits and assets, and it has ambitious plans for further expansion through new investments and acquisitions.

The major source of recent growth has been the banking business, which contributed 46 per cent of profits in the financial year to last March. The group is one of the five members of the London gold market, and it profited mightily during the hectic dealing in metal markets in the early months of 1980.

The pre-tax total for the year 1979-80 bounced from £21.6m to £38.6m, and in the first half of the current year the figure jumped from £11.5m to £19.6m. Trading conditions in the bullion market are much quieter, and it is quite an achievement that the group is able to forecast higher profits for the year as a whole.

Johnson Matthey's chemicals and refining business, which account for a tenth of group profits, are still doing well. But the colours and transfers side (14 per cent of profits) is suffering from the problems of the ceramics industry, one of its major customers. And the jewellery manufacturing and engineering activities are being affected by the UK recession.

The group has a strong balance sheet. Taking in its precious metal stocks at market value, shareholders' funds currently stand at around £300m. The fall in bullion prices has brought down borrowings since the balance sheet date, when they amounted to about £100m.

But the group needs plenty of financial leeway in order to be able to handle volatile price movements in the metals markets. Mr. Hewitt says it aims to finance working capital through bank borrowings, while the rights issue is intended to provide the equity base to support this borrowing and to finance fixed asset spending and acquisitions.

Over the past ten years, Johnson Matthey has been successful in expanding its business in terms both of markets and services. It used to be thought of as a rather indifferent bullion dealer (it made some spectacular silver losses a decade ago and was at one stage thinking of taking a partner into the bank). Elsewhere, is was heavily dependent on jewellery fabrication in the UK and on sales of catalysts to the oil and chemical sector.

The business is now very much more substantial. The bullion side has been enlarged, with an office in Hong Kong and one about to open in New York, so that trading can go on around the clock.

Last June, the bank became a ring dealer in the London Metal Exchange and it is pushing into other areas of commodity trading and foreign exchange dealing. Stocks held by the banking business rose 2½ times in value last year and its issued capital was bumped up from £8m to £20m.

At the same time, an expanding colours and transfers business has been established, and the chemicals side has developed important new markets in the electronics industry and the U.S. auto catalyst market.

Last week, the Board approved plans for a new $35m chemical facility in New Jersey, and the group has consolidated its position as one of the world's biggest refiners of gold, silver and platinum.

There have been a number of developments on the research front, such as work on fuel cells for power generation with United Technologies of the U.S. Mr. Hewitt says royalty income now forms a "significant and rising" contribution to profits.

The group also provides the active ingredient for Cisplatin, a drug which is marketed world wide by Bristol Myers for the treatment of cancers of the genito-urinary system.

"This will be a very significant profit earner over the medium-term," says Mr. Hewitt.

On the jewellery side, the group is thrusting into North America. A new manufacturing plant will open in Tampa next month, and Mr. Hewitt says that "certain negotiations are going on right now with a North American jewellery manufacturer":

Lord Robens, chairman of Johnson Matthey

Capital spending for the group as a whole this year could rise from £15m to around £20m, before taking any acquisitions into account. Net cash flow last year was £22.3m, and will presumably be a few million higher this year after allowing for the dividend payment, which is to go up by not less than 20 per cent.

So even though the pace of profits growth may be slackening, Johnson Matthey can make out a respectable case for a rights issue. And Mr. Hewitt says this is not something which is going to happen every two years: the present rate of expansion is exceptional.

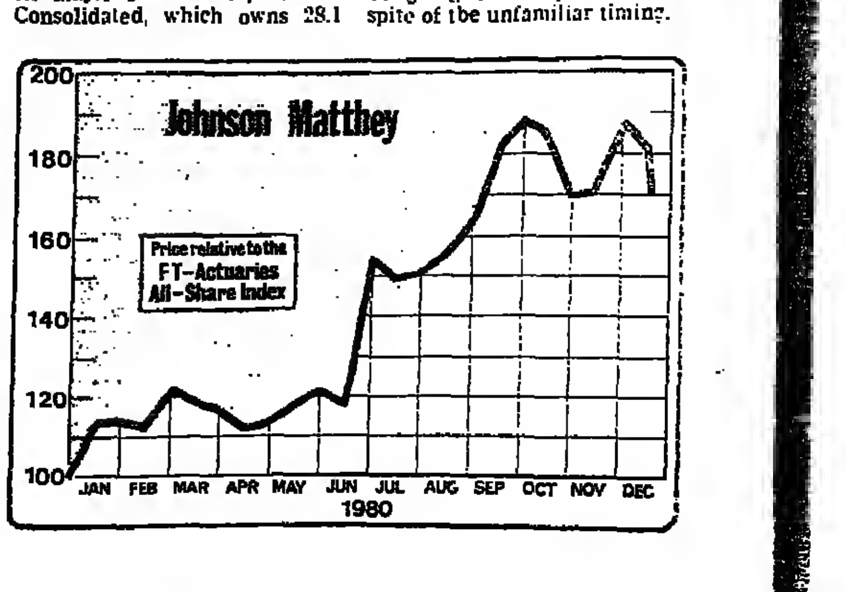
Mr. Hewitt is also quick to dismiss any suggestion that the issue is being in order to make the group more indigestible to its major shareholder, Charter Consolidated, which owns 28.1 per cent of its equity.

Charter has over £100m cash looking for a home after the sale of its Selection Trust shares to BP, but "Charter would find us a helluva mouthful even if they wanted us."

Charter could also run into anti-trust problems, as a result of its indirect holding in Engelhard Minerals, which is Johnson Matthey's main competitor in precious metal refining.

"We have had every co-operation from Charter in preparing this issue," Mr. Hewitt says. The company has irrevocably undertaken that its share of the rights will be taken up, which will save on underwriting fees.

So bankers S. G. Warburg and brokers Phillips and Drew had to worry only about the rest of the sub-underwriting yesterday afternoon—and that seemed to be going smoothly enough in spite of the unfamiliar timing.



YOUR SAVINGS AND INVESTMENTS

FINANCE AND THE FAMILY FY OUR LEGAL STAFF

A letting and Capital Gains

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

If I have lodgers, or do bed and breakfast, am I liable for capital gains on the floor of the house that is let? (I occupy the other 2 floors). 50 per cent of my house has been let as bedsitters for 15 years. Has capital gains on this portion been abolished?

The Finance Act 1980 has changed the position where a house has been let in the following fashion:

If the property (or part of it) is let as residential accommodation, the main residence exemption is now extended to the portion of the gain which was formerly taxable, that is to say, the part of the total gain which relates to the let property.

However, the new additional exemption is subject to two restrictions: (a) a maximum of £10,000, and (b) an amount equal to the exemption under the old provisions (that is the exemption on the owner occupied part of the property). Thus the new total exemption cannot be more than twice the amount of the exemption under the old provisions.

Building Societies practice

In August, 1975, there was a letter to the Editor of the FT to the effect that in 1971 he had arranged loans for the purchase of a house partly from a building society and partly from an insurance company. When he moved in 1974 both of these declined to transfer or renew their loans and in the case of the insurance company he only got back in terms of surrender value about half what he had paid in premiums. He subsequently discovered that the insurance company expected to recover £400 as the cost of writing the policy and that an additional commission was demanded by the building society not for service but as a reward for lending money, in addition to the interest charges, and that a further £170 was deducted from the surrender value for this. He was aware of neither of these facts at the time he made the original arrangements. Do these conditions still prevail and, if so, what can be done about it?

The hazards you advert to still remain, at least in the case of some building societies. Short of inquiring of the proposed lender whether there are any hidden charges there is no solution in law at present. However, the Director of Fair Trading is considering this aspect of building societies' practice, and may well recommend legislation before long.

Convolutions of CTT

Referring to the article Convolutions of CTT (November 1) in which the widow's residue is reduced to £25,000: If the will had not mentioned the specific amount of £5,000 left to the son but had simply stated that, after payment of testamentary expenses, ⅔rds of the residue of the estate went to the widow and ⅓ to the son, assuming tax at 60 per cent, would the result have been as follows:—

66,667—to wife
33,333—to son
50,000—to tax

$(60\%\ \text{of}\ \frac{100}{40} \times 3333)$

150,000

The effect of paragraph 22(b) of schedule 6 to the Finance Act 1975, as rewritten by section 96(5) of the Finance Act 1976, would be:

100,000 to wife
20,000 to son
30,000 to tax
£150,000

Alterations and VAT

There was an article under the heading of When the roof falls in, on page 5 of the FT of October 18, which referred to the case of A.C.T. Construction Ltd v Customs and Excise Commissioners. This prompts me to put a VAT question to you.

My house was built 28 years ago. Recently because I considered the original tiling to be unsatisfactory, I had it stripped off and entirely replaced with a different kind of tiling. The original gutters and spouting were asbestos and, in conjunction with the roofing work, I had them all replaced with plastic guttering. Could I claim exemption from VAT for the work (labour charges) done? I have not yet paid the builder.

In order for the expenditure you have incurred to be zero rate, it must be in respect of an alteration to a building and not be any work of repair or maintenance.

It may be that a court would consider that removing tiling from a roof and replacing it with a different kind of tiling is an alteration, but it still must not be an item of maintenance. In relation to the guttering as mentioned in the article to which you refer, Lord Brandon took the view that the replacement of metal gutters with plastic gutters was a structural alteration and was not maintenance. Presumably he would take the same view in relation to tiling.

We see no harm in your pointing out to your builder that because of the A.C.T. Construction case, no VAT should be charged by him.

Unanimity af trustees

I notice that in your reply under Release for trusteeship (November 8) you say, "...trustees of a private trust must act on unanimous decisions." Does this affect in any way the necessity to act on a majority decision? I am one of three trustees of a private Pension Fund. One of the employees' rights on retiring is to take a lump sum accompanied by a lower pension "with the consent of the trustees." Until recently, this consent has not been withheld and employees have retired with their lump sum. However, in the latest case of a woman with a very small pension, the Insurance Company recommended that she should not be given the option of a lump sum because, with current high interest rates, this would be detrimental to the financial position of the fund. I did not agree to this but the other two trustees did, and the lady in question did not get the option of a lump sum. Can you comment on this?

As a matter of trust law the decision of the majority of the trustees which you describe was not a proper decision if

(a) the Pension Fund's Trust Deed does not expressly provide for a majority decision to be effective, or

(b) Pension Fund trusts are not to be assimilated (for this purpose) in law to charitable trusts.

As we know of no decision on the point as yet, it appears that the rules applicable to private trusts would prevail, but it must remain an open question, until resolved by the courts, whether the more public nature of pension fund trusts should admit of a more flexible rule.

Singapore resident and tax

My aunt who is a Singapore citizen has sent £10,000 to be invested on her behalf. The situation is complicated in that my husband and I are able to use it for bridging finance with her agreement. Who is liable to pay tax on any investment income or is a building society account where the tax is paid, a good idea?

We take it that you mean that your aunt is resident in Singapore, as well as being a Singapore citizen. You will find general guidance in three free booklets, which are obtainable from most tax inspectors' offices:

IR1 — Extrastatutory concessions;

IR11 — Tax treatment of interest paid;

IR20—Residents and non-residents: liability to tax in the UK.

If you use the £10,000 for your own purposes and pay interest to your aunt, you must deduct 30 per cent tax from the interest (and account for it to the Inland Revenue), as explained in booklet IR11. As a resident of Singapore, however, your aunt is only liable to UK tax at 15 per cent on interest arising here, by virtue of article 7A of the Singapore-UK double taxation convention of December 1, 1966 (which was inserted by the protocol of July 21, 1975). Your aunt can obtain repayment of the excess 15 per cent tax by applying to the Inland Revenue Foreign Dividends Office, Lynwood Road, Thames Ditton, Surrey, KT7 0DP, giving her full name and residential address (and a note of any periods which she may have spent in the UK in recent years); if time permits, she can ask the Foreign Dividends Office to authorise you to deduct only 15 per cent tax from the interest which you pay her, to save her the trouble of having to claim repayment.

If you invest the £10,000 on your aunt's behalf, we doubt whether a building society is the right home for it.

If you purchase shares in UK companies for your aunt, she will be entitled to claim payment of half the three-sevenths tax credit, by virtue of article 7 of the 1966 double taxation convention (as rewritten by the 1975 protocol). If you purchase loan stocks of UK companies, she will be entitled to have the rate of tax reduced to 15 per cent, as explained above.

If you purchase giltedged securities which are exempt from UK tax in the hands of people who are not ordinarily resident here (indicated by pairs of double obeli in the FT Share Information Service columns), your aunt can apply to have the interest paid without deduction of tax. If you purchase the securities through the Post Office, and register them in your aunt's name on the National Savings Register, the interest will automatically be paid without deduction of UK tax.

There are other rules for other investments, but we cannot deal with every possibility in this brief reply. In booklet IR1, you should look particularly at the latest version of concession B13.

If your aunt will not be subject to Singapore tax on her UK interest and dividends, please come back to us for guidance, as the UK tax position will be quite different.

STOCK MARKET HEROES: **Richard Lambert** continues his series on great investors

The winner of Waterloo

JUNE 14, 1815, did not seem an ideal moment to be long of UK government bonds. Napoleon and his armies were milling about on the continent in a most unfriendly fashion. Back in London, the Government was raising yet another loan — its biggest so far in the war, at no less than £36m.

Consols were down to 54. And the authorities felt obliged to offer a very fat bonus to the loan contractors — effectively, the underwriters — to get the new issue off the ground.

One of the leading contractors was David Ricardo, a man who had started work in the Stock Exchange at the age of 14 in 1786, and who had built up reputation and wealth through such dramas as the panic of 1797, and the suicide of Abraham Goldsmid, which sent Omnium to a discount of 10 in 1810. He was known to his enemies as "Milord David, the Bear-General," but that June he was long — very long — of government stock.

A special edition of the Morning Post on June 20 carried the news of Waterloo, and a week later the new loan stood at a premium of 13 per cent. Ricardo had made a fortune, and henceforth was able to devote his time to building up his estates and writing "*The Principles of Political Economy*," one of the classic treatises. He had passed the ultimate test of a stock market hero, which was to know when to take a profit.

Ricardo had the ideal temperament for a jobber. As a contemporary noted "he is said to have possessed an extraordinary quickness in perceiving in the turns of the market any accidental difference which might arise between the relative price of different stocks, and to have availed himself of this advantage, so as to realise as much as £200 or £300 in one day, by selling out of one, and buying into another stock, or vice versa. He is also said never to have carried his stock transactions to any speculative extent; but to have always, or generally, sold out on the turn of the market, so as to realise a small percentage on a large sum.

He always claimed that his success was based on two golden rules: "Cut short your losses" and "Let your profits run on." That remains very sound advice.

He also understood the psychology of the crowd. He is reported to have observed that "people in general exaggerated the importance of events. If, therefore, dealing as he dealt in the stocks, there was reason for a small advance, he bought, because he was certain the unreasonable advance would enable him to realise; so when stocks were falling, he sold in the conviction that alarm and panic would produce a decline not warranted by circumstances."

But maybe his greatest asset as an investor was his uncommon ability to see the big picture. As he wrote to a friend: "The Stock Exchange is chiefly attended by persons who are unremittingly attentive to their business, and are well acquainted with its details: but there are very few in number who have much knowledge of the political economy, and consequently they pay little attention to finance, as a subject of science. They consider more, the immediate effect of passing events, rather than their distant consequences."

This was never Ricardo's failing. Life was prosperous in the City during the French wars, when the Government was pushing out loan after loan to finance its efforts. But "experience shows that neither a state nor a bank ever had the unrestricted power of issuing paper money without abusing that power; in all states therefore the issue of paper money ought to be under some check and control; and none seems so proper for that purpose as that of subjecting the issuers of paper money to the obligation of paying their notes either in gold coin or bullion."

David Ricardo: "Cut short your losses, let your profits run"

Sounds like a leader in "The Times."

Ricardo's selling out of the Funds was accelerated in the bull market of 1817, when Consols went from 62 in January to 83 in July. Such prices, he thought, were "enormously high" in view of the large Budget deficit, and he told a friend that "he did not conceive how any man who could get his 3 per cent by lend could leave his money in the Funds." So all his resources went into property, mortgages, and high yielding French Rentes.

That is the kind of dealing to make the Government Broker sit up.

Brides, death and taxes

TAXATION
DAVID WAINMAN

WHEN ALL the talk is of tax reform, but the only action seems to be change for change's sake, it is easy to forget the most recent innovation imposed upon us. It is the constant fiddling with the Capital Gains Tax rules that prompts this cynical observation.

Changes in the value of money since the tax was introduced in 1965 would strongly suggest that indexation must be the equitable basis for reform. Mr. Healey found it too painful to contemplate this in 1978, and introduced only a form of small gains exemption —operative from 1977/78.

No one would say that Sir Geoffrey Howe is unconcerned about inflation, but earlier this year he also shied away from the opportunity available to him to index Capital Gains Tax, or even to taper the charge so that it would apply less harshly to gains on assets held through long periods of inflation. Instead he merely enlarged and changed the small gains exemption.

The first £3,000 of a taxpayer's gains in a fiscal year now escapes tax, regardless how large or small are his total gains for the year. This threshold is three times that introduced by Mr. Denis Healey, but Sir Geoffrey scrapped the 15 per cent rate on the next £4,000 of the year's gains and the marginal 50 per cent from there to £9,500. A married couple are entitled only to the one exemption—except in the year the marriage begins or ends.

In the year they wed, they are for this purpose regarded by the tax inspector as still separate. Each has his or her own £3,000 exemption, to cover gains made whether before or after the date they marry.

If the marriage ends through the husband's death, there is for that year a £3,000 exemption for the couple up to the date of death, another for his executor's in respect of their dealing with his estate in the remainder of that year and his widow has a third exemption for her own assets during the part of the year after her husband dies.

The wife whose husband leaves her (whether as a preliminary to divorce, or merely by way of permanent separation) similarly gets her own exemption for the remainder of the fiscal year in which it happens.

But the sexes are not equal. The husband whose wife dies gets no further exemption than the one £3,000 to which they were jointly entitled as a couple.

Losses in any year must be set against gains in that same year before the exemption operates against the net gain. But losses available for carrying forward from one year to the next need only be used up in that second year to the extent necessary to reduce that second year's gains to £3,000. Any balance of losses can flow straight through to the next succeeding year.

Brides and bridegrooms who are taxed separately in the year of marriage are nevertheless able to set an overall loss made by one (including one made before marriage or brought forward from an earlier year) against a gain made by the other if they want to do so.

This lines up with the general principle that throughout a marriage the husband's losses are set primarily against his gains (and similarly wife's losses offset against her gains) before the subsequent step of setting net losses incurred by one against net gains made by the other.

They can elect not to take the last step in which case either can keep separate his or her own losses brought forward from a previous year. But this will not affect the availability or the benefit to be derived from the £3,000 exemption, which still goes to the partner with the gain.

Given this shape of background legislation, it will be necessary to split the £3,000 exemption for any year between husband and wife if they want their tax bills kept separate, so that each meets his or her own liability. The benefit is then split in the ratio of their net gains after setting off losses brought forward.

Alternatively if their aggregate net gains are less than £3,000, and either of them has losses brought forward, they would want a different method of splitting the exemption. If the husband's gains in the year were £1,800 and the wife's gains £3,000 with losses forward against them of £2,800, the pro-rata split of £2,700 relief to the husband and £300 to the wife would be nonsense.

Sir Geoffrey Howe

By agreement with her husband, she can take £1,200 of the exemption, thus enabling her to "flow through" £1,000 of her previous year's loss to subsequent periods.

That deals with individuals' and married couples' entitlement to exemptions. There are, however, three further points. First, losses in the year of death can be carried back three years, and this carry-back may alter the incidence of the exemption.

Secondly, we have already referred to the executors' entitlement to a £3,000 exemption for the remainder of the year in which an individual dies: they also get the same exemption in each of the next two fiscal years, and can deal with losses carried forward in the same way as an individual.

The third question in relation to exemptions is one which will have to be left for a different occasion. Trustees are entitled to certain small gains exemptions for the assets they hold in trust, but only the cynical observer of non-reformative tax changes would fail to be surprised at the form the rules take.

As an indication of their complexity, rather than as a full exposition of their results, we can say that trusts like all Gaul are divided into three.

In the first, most favoured, category are those for thalidomide children, and for others mentally or physically disabled. However much one may sympathise with the afflicted beneficiaries, one can also argue that distinguishing their trusts is a wrong approach to tax simplification or reform.

The same goes also for the distinction drawn between the second and third categories of trusts, namely whether they were created before or after 7 June 1978.

Mr. Healey thus wrote into the history books the date of his original announcement of a miniscule capital gains relief: the thoroughgoing reform which could write it out again seems still as far off as it was then

Scotland the brave

THE WITH-PROFITS bonus declaration season is almost upon us and this year, Scottish Equitable has started the ball rolling.

The company declares full reversionary bonuses every three years and 1980 is the end of its triennium. This time round it has declared rates substantially higher than three years ago, but the same rate as its current interim payment. (These are payments made to people whose contracts mature between declarations.)

On ordinary life policies the rate of £4.70 per cent compound compares with £4.30 three years ago. The company lifted its interim rate to this level at the beginning of the year. The rate for its pension policies is £5.50 per cent compound—50p higher than in 1977.

With-profit policyholders may feel a little disappointed that the rate is not higher than the interim. Mr. Paul Grace, Scottish Equitable's new actuary appears more concerned with declaring a rate that he can maintain in the future, rather than putting up a rate that may at some stage have to be reduced.

He can probably hold this rate until interest levels fall below 10 per cent, though if he had put the rate up to £5, he would need a 12 per cent interest rate to hold it. The prospects next year for equity dividend increases are not very bright.

There is, meanwhile, some good news for policyholders whose contracts mature next year. Mr. Grace is reintroducing a terminal bonus, thereby reversing the action of his predecessor who stopped such payments a few years ago. These bonuses are paid when a policy matures or becomes a death claim.

From January 1, the rate will be 15 per cent of attaching bonuses. Thus there will be a considerable uplift in payment for a policy maturing on January 1, compared with one maturing the previous day.

What does this indicate for other life companies? Some will adopt a cautious line and be more concerned with declaring a rate that can be maintained for long periods. Others may be a little more adventurous and lift their rates by 10p-20p.

Terminal bonus rates are likely to be kept unchanged in spite of the firmness of the equity market. This in general merely reflects the expectations of lower interest rates which the actuary allows for in valuing a company's liabilities.

E.S.

THE COST OF BORROWING

		Current rate (%)
OVERDRAFTS		18.1-20.3
CREDIT CARDS		
Access		26.8
Barclaycard		30.6
Trustcard		30.6
PERSONAL LOANS		
Midland	— 6 months	18.3
	— 1 year	19.5
	— 2 years	19.7
Lloyds	— 6 months	20.2
	— 1 year	21.6
	— 2 years	21.7
NatWest	— 6 months	20.3
	— 1 year	21.6
	— 2 years	21.8
Barclays	— All terms	21.3
LIFE POLICY LOANS		
Legal & General		12.4
Equitable Life		15.0
Scottish Widows		15.0*

* First £2,500.

Season of good cheer and credit

IN THE run up to Christmas, saving and investing tend to be low on the list of priorities. Banks and building societies traditionally have a lean time attracting new deposits in December and even unit trusts find significant sums of money flowing out with the seasonal spirit.

Christmas instead is a time for borrowing and in order to lift a bit of the New Year gloom it is well worth comparing the cost of the various types of debt. The accompanying table shows the present charges for overdrafts, credit cards, personal and life policy loans, but a number of points should be considered with the figures.

Regulations made under the Consumer Credit Act which came into force in October require credit card companies such as Access and Barclaycard to publish the Annual Percentage Rate (APR) or "true" rate in their major advertisements.

Not all institutions, however, have to comply — the building societies, for example, are exempt and their new mortgage rate of 14 per cent is actually equivalent to a "true" rate of 15.1 per cent. Bank overdrafts, moreover, come in for special treatment. Under the regulations banks are allowed to quote an interest rate and other charges separately.

Overdraft rates at the moment would almost certainly be quoted by the bank manager as 17-19 per cent. The "true" rates, however, are nearer our figures, although even these could be underestimates if other costs such as commitment fees are involved.

The overdraft rate charged by your bank is usually at the discretion of the individual branch manager. It will depend on his assessment of your creditworthiness ("conspicuous ability to repay" as one clearing banker put it) but there is no harm objecting if you feel you are getting a raw deal.

Credit card charges, meanwhile, show that Access is currently cheaper than Barclaycard and Trustcard, though these two could easily come into line soon. The high rates, as the companies repeatedly point out, fail to take into account the 25-day interest-free period between the time monthly statements are sent out and payment becomes due. In fact, by buying at the beginning of a month you can get up to 56 days' free credit as long as you pay everything off by the due date.

On the other hand, when you do start to pay interest it becomes expensive. If you do not clear everything by the due date with Barclaycard, Trustcard, and Access you are charged interest back to the moment the statement was sent out.

Personal loans are a more formal alternative to overdrafts. Borrowers take a lump sum at the outset and then pay back a fixed amount each month. With overdrafts, on the other hand, the rate varies with base rates generally so that at current levels these are probably a better bet if you think interest rates will continue to fall.

Another possibility for anyone with a life company policy is to take out a policy loan. Most companies are usually prepared to offer up to 90 per cent of the current surrender value and, as the table shows, the rates can be surprisingly attractive. They are not, admittedly, fixed but at the same time they do not fluctuate wildly—Legal and General's rate, for instance, has not changed since December, 1976. One of the main reasons for the facility is that life companies prefer investors who get into difficulties to take out a loan rather than cash in the proceeds of their policies. It is particularly useful, for example, for somebody suddenly made redundant, though no questions are asked if you simply want to buy Christmas presents. The loans are not guaranteed and over a certain amount you may have to pay more.

Tim Dickson

New Year conundrum

WHEN IS an insurance broker not an insurance broker? The answer, from December 1, 1981, will be—"When he is not registered."

Notice was formally served in Parliament recently that the remaining provisions of the Insurance Brokers (Registration) Act of 1977 will come into force in 12 months' time, restricting the use of the term "insurance brokers" to individuals and firms registered with the Insurance Brokers Registration Council.

This is an important piece of protection for the public, a large number of whom not only buy insurance through brokers but take their advice on a wide range of financial matters. The announcement means that those brokers seeking registration, broadly speaking, will have to demonstrate competence, independence and financial probity, in addition to making arrangements for professional indemnity insurance, and contributing to a compensation scheme for anyone losing out through professional malpractice.

All very comforting for the consumer, you would think, but two points should be made.

First of all, the council has so far received applications from only 700 insurance broking businesses, representing 12½ per cent of the total number expected to seek entry to the register and list.

It seems likely that in view of the registration costs—professional indemnity insurance, for instance, would set a small operation back at least £500—many companies will be tempted to wait until the last minute before putting in applications.

Secondly, and more importantly, plenty of firms carrying on insurance broking activities who either do not qualify or do not bother to apply will continue to operate as insurance consultants.

There is no suggestion that businesses going under these names are by definition in any way unsafe or disreputable. Many solicitors and accountants, for example, provide a perfectly respectable "insurance broking" service.

On the other hand, as the man from the council points out, registered brokers at least have certain identifiable terms of reference and are answerable to the client if things go wrong.

T.D.

YOUR SAVINGS AND INVESTMENTS 2

A possible Wey ahead

AN IMPORTANT feature of investment is minimising the tax bill. Regular premium life contracts, for example, provide cash sums after 7½ years which are free of all taxes, with the added bonus of tax credit on premiums. This is embodied in the widely marketed Maximum Investment Plan (MIP).

Single premium bonds, by contrast, are less efficient. The profit on cash-in (which can be made at any time) is subject to higher rate tax and investment income surcharge. A concession in the 1975 Finance Act, however, does provide a tax shelter.

Investors can withdraw up to 5 per cent of their original outlay each year for 20 years, deferring their tax bill until a subsequent cash-in. After this year's Finance Act, bonds have been unfavourably compared with unit trusts. But not perhaps any longer.

Mr. Trevor Wey of Skandia Life has just designed the Capital Investment Bond that overcomes these problems. A few years ago, when working for Merchant Investors, he designed the MIP that is the blueprint for every other life company plan. Now he has produced an equally tax efficient bond, offering up to 10 per cent tax free.

To sidestep the 1975 Act, Mr. Wey has put together not only a series of policies that are artificial in the sense that no single contract will stand on its own. Some novel life assurance concepts have been introduced as well.

The bond consists of 10 single premium term assurance contracts from one to ten years duration, plus a regular premium policy. The premium under the latter contract is a nominal £1, the premiums for the term assurance accounting for the rest of the investment. Yet the usual 95 per cent of the outlay is used to buy units as normal for bond investment and the units are held under the regular premium contract.

Thus for an investment of £100,000—£99,999 is used as premiums for the term assurances, split £10,000 for each of the one to nine year contracts and £9,999 for the 10 year policy and £1 pays the first annual premium on the regular premium plan. But the £95,000 of units bought after allowing for the bid-offer spread is attached to the latter contract.

The term assurances provide life cover slightly in excess of the premium paid. Each policy has a guaranteed surrender value available just before the end of the cover period up to the actual premium.

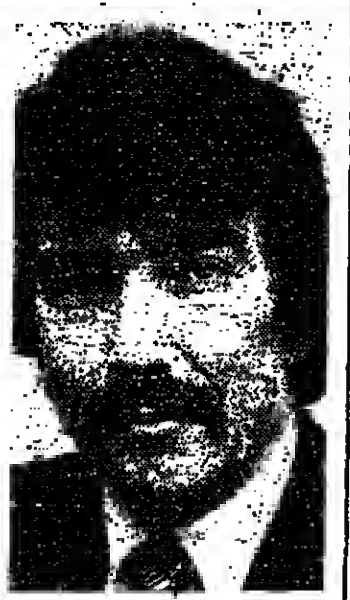
The investor takes the guaranteed value to provide the income. Since the payment does not exceed the premium, there is no liability to higher rate tax or investment income surcharge. This provides the tax-free income for the first 10 years.

The investor can take less than the full surrender if he chooses and the appropriate number of units is cancelled from the regular premium policy. This enables the investor to vary his income and if desired keep the cash-in to conform with the rise in unit values, and avoid eating into capital.

Surrender values on term assurances are unheard of, as is taking less than the full surrender value. For a normal 10-year term assurance for cover of £10,000, Equitable Life would charge a single premium of £567.40 compared with the £10,000 paid under the bond.

After 10 years, the investor can cash in the units left to the regular premium policy as and when he likes, the amounts being paid free of tax. Special arrangements are made for cash-in before 10 years to eliminate or minimise the tax liability. The ingenuity and complexity of this plan makes last year's one year guaranteed income bonds look simplicity itself.

The Revenue is aware of the bond and is examining its implications. But it will not commit itself further. The Revenue has no powers to ban or restrict the marketing of a life product simply because it does not like it. Such legislation could well be sought in the next Budget.



Mr. Trevor Wey

Eric Short

Easing housing headaches

GETTING A large loan from building societies can often be difficult — but from New Year's Day it should become significantly easier.

A Statutory Instrument was issued this week raising the so-called "special advance" from £25,000 to £37,500, a limit which will take effect on January 1 and which should ease the headaches of many house-hunters.

Under the 1962 Building Societies Act, societies are restricted from lending more than 10 per cent of their funds in the form of "special advances." With homes in the London area averaging almost £30,000, the present limit of £25,000 presents serious difficulties for those who hope to finance the purchase of their house entirely through a building society loan.

Although the Building Societies Association hoped to see the "special advances" limit increased to £50,000, it has at least persuaded the Government to make a reasonable gesture.

There is, needless to say, a sting in the tail — two, to be precise. First in times of mortgage famine—for example late 1979 and the early part of this year—building societies tend to ration funds on a voluntary basis. In these circumstances, they may wish to lend considerably less than 10 per cent of their funds in "special advances."

Secondly, and of more immediate concern, the limit for mortgage tax relief is likely to remain at £25,000. This means that interest on the portion of bigger loans exceeding this limit is payable at the full rate, 14 per cent after last week's 1 point cut in the mortgage rate, rather than the net 9.8 per cent which those on say the basic rate of tax now pay on a loan of under £25,000.

The Government this week showed that as the major new force in the savings market it is certainly hedging its bets. Just over four weeks after the launch of the new "granny bond," the 2nd Index Linked Issue, the Treasury has decided from January 12 to increase the maximum holding of the National Savings Certificates 19th issue from £1,500 to £5,000.

The 19th issue first went on sale in February this year and had already pulled in about £738m up to the end of November. If held for a full five years it yields 10.33 per cent per annum tax free, a return that did not look unattractive at the beginning of the year and which looks even more appealing now that interest rates have come down.

Behind the change is anxiety about the 2nd Index Linked issue, which in the first four weeks brought in £335m — broadly in line with government expectations. Recently, however, there has been a sharp drop in the intake, which may be a temporary fall ahead of Christmas or may be more permanent. Switching between National Savings certificates and granny bonds, has apparently not been as marked as expected.

Tim Dickson

Behind the Abbey Life walkout

ABBEY LIFE resigned from the Life Offices Association last week. It was a decision that was inevitable once the LOA decided not to pay insurance brokers more commission, except on term assurances.

The attempts of the British Insurance Brokers Association to get more commission for insurance brokers have come to naught after month of talks. BIBA was seeking firstly more commission to reflect the work done by brokers, and secondly some form of differential commission over other intermediaries.

The reply by the association was "no change" on both these points. The only concession was higher commission on terms assurance contracts up from 60 per cent to 90 per cent for longer term policies.

The brokers were not without friends among the members of the LOA, some of whom considered that the BIBA did have a reasonable case. But so far only Abbey Life was prepared to back the brokers by leaving the LOA so that it could pay more commission.

The only life company expected to follow Abbey's lead is Provincial Life. Mr. Mark Weinberg is adamant that Hambro Life will remain in the LOA. Thus any danger of a full scale free-for-all on commissions seems to have been averted at least for the time being.

But Mr. Bill Proudfoot of Scottish Amicable claimed that a life company left the LOA only to steal a march on other companies by paying more commission. He wanted to pay brokers more for individual life contracts. But he was not prepared to leave the association in order to do this.

E.S.

The Association of Investment Trust Companies

THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

as at close of business on Monday 15th December 1980

Total Assets less current liabilities (1) £million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	Geographical Spread at 30th November 1980: UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %	Total Return on N.A.V. over 5 years to 30.11.80 (10) base=100
	VALUATION MONTHLY								
179	Alliance Trust	241	5.7s	340	63	28	3	6	176
144	British Invest. Trust	168	6.8	225	66	29	4	1	†
15	Grange Trust	124	3.9	144	71	23	1	5	211
83	Great Northern Invest. Trust	122	7.0s	168	76	13	2	9	195
†	Investors Capital Trust	101	4.2s	†	†	†	†	†	†
23	River Plate & General Invest. Trust	234	5.8	293	76	7	–	17	253
13	xSave & Prosper Linked Invest. Trust	90	–	170	100	–	–	–	165
164	Scottish Invest. Trust	124	4.9	171	51	33	4	12	†
75	Scottish Northern Invest. Trust	104	4.3	134	67	28	†	4	256
133	Scottish United Investors	80	4.1	105	37	37	7	19	202
59	Second Alliance Trust	205	5.9s	295	63	28	3	6	177
4	Shires Investment Co.	144	10.9	148	100	–	†	–	185
96	United States Debenture Corporation	104	6.6	140	70	30	–	–	†
	Baillie Gifford & Co.								
146	Scottish Mortgage & Trust	137	5.4	192	42	40	8	10	187
74	Monks Invest. Trust	65	5.2s	59	40	41	8	11	194
†	Winterbottom Trust	288	4.3	†	†	†	†	†	†
	Baring Bros. & Co. Ltd.								
50	Outwich Invest. Trust	70	5.4	83	65	14	5	16	208
32	Tribune Invest. Trust	90	3.5s	119	48	24	8	20	179
	East of Scotland Invest. Managers								
55	Aberdeen Trust	127	6.4	162	76	22	–	2	†
	Edinburgh Fund Managers Ltd.								
78	American Trust	63	*4.5	83	59	37	2	2	229
16	Crescent Japan Invest. Trust	224	1.6	234	5	–	95	–	179
16	General Scottish Trust	53	6.8	73	70	20	5	5	219
10	Wemyss Invest. Co.	374	7.3	451	72	15	1	12	189
	Electra Group Services								
95	Electra Invest. Trust	48	7.6	61	67	20	–	13	209
325	Globe Invest. Trust	138	7.5	181	65	16	3	14	211
42	Temple Bar Invest. Trust	115	9.3s	141	92	5	–	3	192
	F & C Group								
31	Alliance Invest. Co.	161	4.2s	210	53	20	12	15	238
31	Cardinal Invest. Trust	137	4.4s	184	61	14	3	22	243
7	F & C Eurotrust	56	3.7	62	32	3	–	65	116
255	Foreign & Colonial Invest. Trust	115	4.0	161	61	23	11	5	216
40	General Investors & Trustees	172	5.0	232	57	14	3	26	241
	GT Management Ltd.								
28	Berry Trust	137	1.5	150	26	29	22	23	337
1	xChild Health Research Invest Trust	121	–	145	17	26	19	36	†
19	GT Japan Invest. Trust	253	2.3	238	7	2	69	22	203
11	Northern Securities Trust	240	2.6	281	40	23	11	26	276
	Gartmore Invest. Ltd.								
9	xAltifund Ltd.	291	0.3	426	92	3	–	6	†
32	Anglo-Scottish Invest. Trust	64	5.4	67	61	25	1	13	216
40	English & Scottish Investors	64	*3.9	84	52	17	4	27	262
10	Group Investors	100	4.0	128	58	29	4	9	296
7	London & Gartmore Invest. Trust	111	1.3	142	41	23	3	33	213
13	London & Lennox Invest. Trust	43	6.0	58	55	24	–	21	207
28	London & Lomond Invest. Trust	93	5.5s	130	74	22	–	4	222
15	London & Strathclyde Trust	72	4.1	91	60	22	–	18	220
18	Meldrum Invest. Trust	73	5.9s	89	97	–	–	3	264
	Gartmore Invest. (Scotland) Ltd.								
95	Scottish National Trust	210	4.2	278	61	21	4	14	210
24	Glasgow Stockholders Trust	145	4.0s	199	57	25	–	18	211
	John Govett & Co. Ltd.								
112	Border & Southern Stockholders Trust	77	4.8s	109	56	22	10	12	205
18	General Stockholders Invest. Trust	162	3.3	234	49	39	5	7	234
83	Lake View Invest Trust	128	4.1s	173	54	19	9	18	209
90	Stockholders Invest. Trust	136	3.7s	188	36	52	6	6	223
	Hambro Group								
30	Bishopsgate Trust	256	5.1	356	65	26	3	6	232
6	City of Oxford Invest. Trust	104	7.5s	127	100	–	–	–	271
62	Hambros Invest. Trust	156	4.8s	214	64□	30	2	4	260
7	xRosedimond Invest. Trust	127	–	155	99	–	–	1	298
	Henderson Administration Ltd.								
157	Witan Investment Co.	124	4.1	174	55	27	14	4	207
28	Electric & General Invest. Co.	105	3.1	149	48	35	7	10	195
8	Greenfriar Invest. Co.	144	2.0	197	39	27	14	20	252
8	Lowland Invest. Co.	76	7.0	90	85	5	†	9	234
	Philip Hill (Management) Ltd.								
13	General & Commercial Invest. Trust	179	7.4s	231	76	20	–	4	212
28	General Consolidated Invest. Trust	109	7.6s	142	76	20	1	3	222
156	Philip Hill Invest. Trust	115	7.1s	154	78	18	–	4	217
7	Moorgate Invest. Co.	163	6.2	142	90	6	–	4	277
41	Nineteen Twenty-Eight Invest. Trust	82	7.6s	107	67	29	1	3	178
	Industrial & Commercial Fin. Corpn.								
12	London Atlantic Invest. Trust	96	6.7	107	82	10	–	8	242
8	North British Canadian Invest. Co.	110	5.9	112	98	2	–	–	†
	Investment Trust Services Ltd.								
33	Capital & National Trust	158	*6.1	216	70	16	4	10	209
15	Claverhouse Invest. Trust	122	7.0	153	99	1	–	–	269
14	Crossfriars Trust	116	7.0s	142	100	–	–	–	241
74	Guardian Invest. Trust	102	5.5	143	81	10	4	5	197
43	London & Holyrood Trust	143	5.5	195	67	19	4	10	197
31	London & Montrose Invest. Trust	230	5.6s	320	61	24	5	10	195
58	London & Provincial Trust	130	5.7	184	60	25	4	11	192
128	Mercantile Invest. Trust	59	6.1	77	55	28	5	12	220
47	Sterling Trust	203	6.1s	275	71	21	4	4	181
36	Technology Invest. Trust	134	4.4s	179	64	30	4	2	200
93	United British Securities Trust	153	6.5	208	65	20	4	11	197
27	United States & General Trust	245	5.6s	327	73	19	2	6	195
	Ivory & Sime Ltd.								
84	Atlantic Assets Trust	240ac	0.6ac	268ac	48	46	–	6□	553
130	British Assets Trust	96	5.7	120	49□	45	–	6	250
51	Edinburgh American Assets Trust	85	1.2	103	24	66	2	8	254
30ar	Independent Invest. Co.	122ar	–	108ar	73□	26	–	1	†
47ar	Viking Resources Trust	103ar	1.1sar	115ar	29□	68	–	3	502
	Keyser Ullmann Ltd.								
12	xThrogmorton Secured Growth Trust	114	–	178	100	–	–	–	217
†	Throgmorton Trust	97	8.2	†	†	†	†	†	†
	Kleinwort Benson Ltd								
33	British American & General Trust	46	6.9	65	67	23	5	5	†
32	Brunner Invest. Trust	69	5.4	94	54	30	6	10	249
40	Charter Trust & Agency	69	6.1s	97	65	22	6	7	205
50	English & New York Trust	86	6.6s	122	63	26	3	8	†
5	Family Invest. Trust	108	7.9	120	92	–	–	8	†
4	Jos Holdings	68	6.8s	79	78	11	3	8	211
8	London Prudential Invest. Trust	100	6.8	132	71	17	5	7	247
67	Merchants Trust	92	6.2	126	57	31	5	7	216
	Lazard Bros. & Co., Ltd.								
58	Raeburn Invest. Trust	146	5.9s	206	61	29	3	7	169
46	Romney Trust	109	5.2s	153	55	35	3	7	185
	Martin Currie & Co. CA								
13	Canadian & Foreign Invest. Trust	139	5.5	186	64	31	2	3	188
23	St. Andrew Trust	144	6.0s	192	65	25	5	5	186
115	Scottish Eastern Invest. Trust	75	6.1	105	59	35	3	3	183
27	Scottish Ontario Invest. Trust	73	6.2	98	56	35	5	4	168
64	Securities Trust of Scotland	103	6.7	144	62	30	5	3	181
	Murray Johnstone Ltd.								
58	Murray Caledonian Invest. Trust	66	*5.0	92	47	35	9	9	205
84	Murray Clydesdale Invest. Trust	59	*4.0	84	46	37	9	8	198
22	Murray Glendevon Invest. Trust	118	*3.2	164	54	25	8	13	206
6	Murray Minor Invest. Trust	115	*4.5	132	43	38	10	9	215
29	Murray Northern Invest. Trust	70	*3.6	101	38	35	12	15	201
94	Murray Western Invest. Trust	71	*4.2	107	47	37	8	8	198
	Rivermoor Management Services Ltd.								
126	London Trust	78	6.0	101	59	20	–	21	272
20	Moorside Trust	139	6.6	180	51	37	–	12	238
38	River and Mercantile Trust	238	7.8s	312	78	1	2	19	219
	J Henry Schroder Wagg Group								
28	Ashdown Invest. Trust	177	4.7s	251	53	37	6	4	202
9	Australian & International Trust	120	4.8	148	21	9	6	64	143
38	Broadstone Invest. Trust	189	4.9s	269	50	39	5	6	209
65	Continental & Industrial Trust	268	5.6	362	57	40	–	3	208
38	Trans-Oceanic Trust	221	4.5	310	40	44	7	9	261
	Stewart Fund Managers Ltd.								
101	Scottish American Invest. Co.	127	4.2	157	53	35	3	9	263
10	Scottish European Invest. Co.	42	5.6	50	33	–	–	67	113
	Touche Remnant & Co.								
129	Atlas Electric & General Trust	81	5.3	113	71	13	3	13	220
38	Bankers' Invest. Trust	71	7.2s	97	75	16	3	6	194
19	CLRP Invest. Trust	90	5.6	125	63	13	3	21	186
39	Cedar Invest. Trust	85	7.7	116	70	14	3	13	199
51	City of London Brewery & Inv. Trust	75	6.4	103	92	4	–	4	215
36	Continental Union Trust	149	5.8	201	65	18	2	15	189
230	Industrial & General Trust	74	5.3	99	68	17	2	13	217
48	International Invest. Trust	94	6.0	130	77	14	6	3	193
64	Sphere Invest. Trust	142	6.3	200	67	20	4	9	194
46	Trust Union	72	6.0	98	67	18	3	12	203
87	Trustees Corporation	70	5.6	92	73	11	1	15	226
	Williams & Glyn's Bank Ltd.								
10	Sizewell European Invest. Trust	91	3.8	98	33□	13	–	54	118
3	Atlanta Baltimore & Chicago	61	2.3	79	16□	84	–	–	177
3	West Coast & Texas Regional	75	2.4	91	13□	87	–	–	175
	VALUATION THREE-MONTHLY								
	City Financial Administration Ltd.								
6	xAcorn Securities Co.	126	–	138	73	5	10	12	184
23	'Investing in Success' Equities	228	2.7s	306	33	25	25	17	232
31	General Funds Invest. Trust	264	3.8	357	50	16	19	15	261
	Drayton Montagu Portfolio Management								
85	Drayton Premier Invest. Trust	211	6.8	299	65	13	7	15	155
83	Drayton Consolidated Trust	163	6.7	235	65	9	10	16	159
60	Drayton Commercial Invest. Co.	151	6.3	217	68	9	7	16	171
17	English and International Trust	111	6.5	161	65	15	5	15	188
11	Colonial Securities Trust	320	5.1	413	63	16	8	13	169
9	British Industries & General Inv. Tst.	136	5.3s	177	56	16	11	17	174
9	Drayton Far Eastern Trust	63	2.6	77	17	–	21	62	196
3	City & Foreign Invest. Co.	64	–	74	14	86	–	–	†
6	Montagu Boston Invest. Trust	50	3.0	63	17	83	–	–	†
43	xTriplevest	300	–	481	75	12	1	12	255
15	xDualvest	386	–	548	83	5	1	11	†
17	xCity and Commercial Inv. Managers	209	–	319	96	2	–	2	†
14	xFundinvest	97	–	159	94	3	–	3	†
	East of Scotland Invest. Managers								
14	Dominion & General	234	6.3	319	59	35	1	5	188
35	Pentland Invest. Trust	140	6.1s	195	58	31	3	8	198

NOTES TO THE TABLE

† No data.
x Split capital trust (capital shares).
* Applies to Ordinary/"A" Ordinary only.
s Does not include special dividend.
□ More than one quarter in non-equity investments.
ac Adjusted for scrip issue.
c Not approved for capital gains tax purposes.
φ Figures not provided in view of announced discussions or recent developments affecting the company.
ar Adjusted for rights issue.

(a) Cols. 1, 3 to 5 Figures supplied by Wood Mackenzie & Co., members of The Stock Exchange. Col. 1 to nearest £1m; Cols. 3 & 5 to nearest penny per share.

(b) Cols. 1, 5 Statistics simulated to date shown based on latest valuations supplied by the companies and made available to The Stock Exchange. In these valuations listed securities are valued at mid-market prices and unlisted at directors' valuation. All revenue account items are excluded.

(c) Col. 4 Based on last declared dividend or firm forecast, plus tax credit, to nearest 0.1 per cent.

(d) Cols. 6 to 9 Percentages of total assets less current liabilities. Currency balances are allocated to the relevant geographical sector.

(e) Cols. 5, 10 Prior charges and preference share capital deducted at market value; convertible stocks deemed to be converted; warrants treated as not exercised.

(f) Col. 10 Figures supplied by AITC Statistics Service, to nearest one per cent. A full description of the information shown in this column is given in the Investment Trust Year Book. In summary, the figures show the percentage changes in the net asset values over the period assuming that dividends paid, excluding tax credit, were reinvested in the underlying assets of the company.

INDICES OF FIVE YEAR TOTAL RETURN

General Trust Average	217
F.T.–Actuaries All Share	247
*Standard & Poors Composite	91
*Capital International World	95

*Adjusted for exchange rate changes.

EXPLANATORY NOTES

Use of total return statistics and care in interpretation

The total return statistic, which adjusts the net asset values for dividends, excluding tax credit, distributed during the period, enables companies with substantially different capital growth and dividend policies to be more fairly compared. A period of five years provides a good indication of trends and, in normal circumstances, should cover a traditional bull and bear market in the major stock markets.

Each total return figure is indexed from a base of 100 at the commencement of the period and records the movements between two particular dates. Any particular total return figure may thus be affected by exceptional factors, operative at either the base date or at the final date, which were influencing the stock market generally or a sector of the market in which the company was interested. The geographical distribution of a particular company's portfolio should be considered in assessing its relative performance.

While the total return statistic, if used with care, provides a valuable guide to past experience which can assist comparison of one company with another, or the trust movement with other investment media, it should always be borne in mind that past performance is not necessarily a guide to future achievement.

The total return statistic for split capital trusts is not comparable with that for other companies because of the difference in capital structure. The split capital trusts have therefore been identified in the Table and are not included in the General Trust Average index figure.

Calculation of NAV

In order to avoid a plethora of figures and to facilitate comparability the statistics of net asset value have been calculated on a uniform basis which may, in the case of a particular company, differ from the corresponding figures in its Annual Report and Accounts.

The net asset value is calculated on the "going concern" basis, with prior charges deducted at market value, as it is believed that this basis is the most widely accepted for comparative purposes.

PROPERTY

The rise and fall of prices

BY JUNE FIELD

PROPERTY PRICES have fallen over the year, but not as much as had been predicted. And in many cases it is necessary to put the asking figure in perspective, treating it as an over-optimistic estimate based on last year's gains.

It is the contract figure that counts, and it is as well to take into consideration too, that an owner-occupier will have had up to 12 months' rent-free accommodation; also that as selling will have been on a "down" market, so will any replacement buying.

The real losses are the hidden costs in both selling and buying. On the first, the estate agent's commission, two to three per cent on the purchase price plus 15 per cent VAT, solicitor's fees, which on a charge of £615 would also attract another £92.25 for VAT; stamp duty (at the rate of 2 per cent over £35,000, say £1,000 on £50,000), land registry fees (£146 on say, £60,000), local search fees £10 or so, even £5 for the bank charge for the telegraphic transfer of the completion money. And when you move there are the removal expenses, plus the possibility of having to buy new curtains, carpets and kitchen equipment.

Signs that the property boom was over, or anyway resting, were evident by the early autumn of 1979, but it was months before vendors would accept this. High interest rates, high mortgage rates and inflation has made 1980 a year most agents will want to forget, is the general comment.

Weller Eggar, with offices in West Surrey, West Sussex and East Hampshire report that although these areas have not had mass unemployment, for the first six months of the year many house prices fell in step with the national pattern, and the fall was more pronounced in the towns than in the villages. For instance a house in Guildford sold in 1979 for £68,000, while a year later it was resold for £63,000; in Farnham a house sold in 1979 for £60,000 and resold in 1980 for £53,000; in Horsham a house sold for £52,000 last year, and resold this year for £45,000.

In the areas of west and south London that Chestertons cover, the average unit price of all properties sold this year is up by 9 per cent. Their chart of property fluctuations over the last three years, reveals some interesting variations. In 1979 the average apartment unit price was £63,250, this year it is £70,578, an increase of 11 per cent, while for houses, it was £120,000 in 1979, and today it is £126,000, an increase of 5 per cent.

Modern apartments, such as those in Durrels House, W14, where 3-bedroom, 2-bathroom accommodation is £90,000, are up only 11 per cent this year as against 21 per cent last year, and 41 per cent the year before. Kensington Heights, W8, showed a drop of 4 per cent, and older 2-bedroom flats at Florence Court, W9, stayed static at £42,000.

Modern houses in Abbotsbury Road, W14, (4 bedrooms and 2 bathrooms), which nearly doubled in value last year, remain the same at £225,000, while similar accommodation at The Marlowes, NW8, which went up 6 per cent last year to £140,000, have also not moved this year.

Says senior partner Mr. Bruce MacEachern: "The view for 1981 is that prices will not leap forward, but as mortgage rates follow interest rates down there should be renewed confidence for those buying, and we expect to see the market becoming increasingly active towards the spring."

Edward Erdman's "Property Market Review, 1980," published this week, puts over an even less encouraging view of the residential market in central London, reporting that high maintenance and service charges, particularly in the older apartment blocks, are putting off even the most well-heeled buyers. For instance, a Middle East owner of a five-bedroom, three-bathroom apartment in Grosvenor Square, who has only lived there two weeks a year since he bought it six years ago, naturally finds the outgoings uneconomical. The service charge is £6,500 a year, the rateable value £4,138, with rates 70p in the pound. The luxury apartment is for sale at £1.2m.

By contrast, Erdman's are also offering what they call "the cheapest pied à terre in town," a studio in Grove Hall Court, St. John's Wood, £14,950 for a 99-year lease. The service charge is £450 a year, and it includes central heating, constant hot water, porterage, and so on. But don't expect too much. The main room is only 12 ft by 8 ft, and it is on the lower ground floor. Inquiries for this and the millionaire's pad to Mr. David Sayers and Mr. Tony Hirsch, Edward Erdman, 6, Grosvenor Street, London, W1 (01-629 8191).

PRICE FLUCTUATIONS ON OLD AND NEW PROPERTIES IN LONDON

VENUE	ACCOMMODATION Bed	Bath	Rec	1978 £	1979 £	1980 £
MODERN FLATS						
Kensington Heights, W8	2	1	1	65,000(+71%)	78,000(+20%)	75,000(− 4%)
Durrels House, W14	3	2	1	67,000(+41%)	81,000(+21%)	90,000(+11%)
Broadwalk House, SW7	4	2	2	200,000(+53%)	210,000(+ 5%)	200,000(− 5%)
OLDER FLATS						
Florence Court, W9	2	1	1	28,500(+35%)	42,000(+47%)	42,000
Wynnstay Gardens, W8	4	2	2	60,000(+33%)	94,500(+57%)	100,000(+ 5%)
MODERN HOUSES						
Abbotsbury Road, W14	4	2	2	95,000(+46%)	145,000(+52%)	155,000(+ 7%)
Oxford Square, W2	5	3	2	155,000(+41%)	225,000(+45%)	225,000
The Marlowes, NW8	4	2	2	120,000(+33%)	140,000(+ 6%)	140,000
OLDER HOUSES						
Hill Gate Place, W8	3	1	2	75,000(+61%)	90,000(+20%)	95,000(+ 5%)
Blomfield Road, W9	5	2	2	175,000(+39%)	220,000(+26%)	265,000(+20%)

Source: Chestertons

Selling without an agent

Two new books this week are devoted to telling one how to save money by selling privately. Former estate agent Mr. John O'Callaghan, who says he has moved seven times in 16 years (the prices he obtained on his own properties ranged from £4,000 in 1964 to £80,000 in 1980), has produced *How To Sell Your House Without An Estate Agent*, £1.19 from Sales Dynamics, PO Box 3, Castletown, Isle of Man, UK). He makes the point that a property is a commodity, and needs to be marketed as any other sales item, realistically priced to sell.

His advice comes in the form of a snappily set out primer, giving hints on how to value a house, and ploys on negotiation. Quoting Banjamin Franklin's "He that speaks ill of the mare will buy her," he warns not to get annoyed if anyone makes disparaging remarks such as "the kitchen is a bit small," or "it's only got one bathroom" —it is just part of the strategy to get the price down.

The *Bradshaw's Guide to DIY House Buying, Selling and Conveyancing*, by Mr. Joe Bradshaw (£4.95 from Castle Books, Freepost, Blackdown, Leamington Spa CV32 6BR), goes into greater details on the actual complexities and pitfalls of the whole operation. As a step-by-step guide to help one understand what a solicitor does, it is invaluable, but the sheer weight of explanation and instruction also reveals the necessity for having proper legal representation.

Sir Harold and Lady Wilson are selling their Buckinghamshire home, Grange Farm, in an acre at Great Missenden. Included with the 4-bedroom house is a granny or staff suite, a barn converted into a sitting-room, and other period barns which are used as garages, offices and for storage. George Kendall, Hamnett Rafferty, 30 High Street, High Wycombe, Bucks (0494 21236) are asking offers in the region of £125,000.

The 4-bedroom Copelands, in the Hampshire hamlet of Farringdon, was once featured by Mackintosh's on the lid of one of its boxes of chocolates. The thatched cottage has a heated swimming pool, barbecue and a double garage, and Weller Eggar 45 High Street, Alton, Hants (0420 82601), are looking for offers in the region of £80,000

هكذا من الأصل

TRAVEL/MOTORING

One of Brussels' most famous landmarks and, right, the Town Hall and Grande Place

They also like the British

BY JULIAN CRITCHLEY

WHATEVER ELSE Brussels is it is not Paris. It is not a city of light. Before the war Brussels was a fashionable, even elegant place to which the squirearchy of Northern France would flock for its pleasures (the only alternative being Lille). Since the war it has become duller, more *petit bourgeois*, a French-speaking island in a Dutch sea inhabited by *bucherons* and bureaucrats.

Brussels can be recognised by its characteristic smell. In Paris it is the smell of the Metro (scent and sweat?), but in Brussels the smell is more appetising, a blend of chocolate, small cigars and chips. Brussels chocolates are the best in the world (the Godiva brand is especially good), the tobacconists' windows are full of boxes of cigars of different shapes and sizes, while the chips, the ubiquitous *frites*, are dry, tasty, and at the same time soft-centred yet crisp. No dish of mussels should be without its *frites*.

Unlike Paris there are no theatres to speak of. Nor are there in Brussels the multitudes of cafes and restaurants which are to be found in the French capital. The *Bruxellois* is more likely to eat at home, emerging once or twice a year to visit his favourite restaurant for the *grande bouffe*, the great blow-out. The rich manage to do so once a week. The Belgians are notoriously among the worst drivers in Europe and among the greediest people in the world. Their food is French; their helpings, German.

In the city prices are high but the quality can be good. Comme Chez Soi is Roy Jenkins' favourite restaurant where the claret comes up to scratch. Bernard in the Rue de Namur is a tiny restaurant of the highest quality situated over a delicatessen. The Carlton on the Boulevard Waterloo is a place where Common Market Commissioners wrestle with the problems of the common agricultural policy. The problems of the budget are mulled over at the Restaurant Guillaume on the Chausse d'Anvers. These restaurants are as good as any in Europe with prices to match. Visit them by all means, but preferably as a guest.

The restaurants I have listed are for the *gratin Bruxellois*, the local upper crust whether bourgeois or bureaucratic. Le *peuple menu*, on the other hand, can be catered for either in the Petite Rue des Bouchers in the old part of town which is a street consisting of nothing but restaurants mainly fishy but reasonably priced, a haven for the younger tourist, or in any of the larger pavement cafes in and around the Grand Place or along the Grands Boulevards. There the clientele may not be as discriminating but it will be just as greedy, putting away vast amounts of *frites* and raw meat. Two restaurants in the old quarter which are particularly good value are La Taverne de Passage in the Gallerie St. Hubert which is a charmingly high Victorian ("Leopold II") arcade, and Les Armes de Bruxelles where the natives occupy tables from mid-day to midnight.

Brussels is used to politicians. I spent a week in the city recently attending the North Atlantic Assembly, a multi-national parliamentary assembly the purpose of which is to enable Americans to bring their wives to Europe. The evenings were filled with receptions where we paraded before the *buffet froid*, champagne in hand. The days were devoted to oratory but the lunches were generally free. An old friend who has worked in NATO for 20 years took me to Le Bistroquet in the Rue de la Colline, which runs into the top of the Grand Place. I found it to be so good, and reasonably priced, provided one is careful in the choice of wine, that I lunched there three times, on each occasion picking the set lunch which ranged in price from 290-325 francs (70 francs to the pound).

The main course was invariably fish such as lotte or cod in a deliciously buttery sauce. Lunch began either with soup, eel or, best of al, tongue in a piquant sauce. The food was delicate and the effect wholly beneficial. Each time I followed the example of my host and chose a bottle of Sancerre of a quality unknown to anyone who tries a bottle bearing that name in Britain. It was a Clos de Chene Marchand of Lucien Crochet '79 and it was quite splendid although at 800 francs a bottle it deserved to be. Providing you choose the house wine and stick to the set lunch I can think of no better buy in Brussels. Le Bistroquet is shut on Sundays and has no set lunch on Saturdays.

One evening, tiring of the problems of the alliance, a friend and I fled the inevitable reception with its platters of cold ham, and went to dinner at the Restaurant Perraudin, 49, Rue St Jean. This is a small place run by an elderly Frenchwoman and her daughter. The mother sat at a table all evening doing the accounts and watching over her restaurant with a beady eye. There were two menus at 575 and 675, the first with *chapon de Bresse au citron Bergomotte*; the second with pheasant. Wishing to spread ourselves we ordered *Terrine de Poissen du Chef Antibosc*, a marvellously good fish pate at 300 francs, followed by *Selle d'Agneau roti au petits legumes, gratin Dauphinoise*, at 975 for two. We drank half a bottle of house champagne, and a bottle of Julienas at 595. The lamb was properly pink, the potatoes excellent and the Beaujolais very drinkable. It was the best meal of the week. Not only was the food outstandingly good but the atmosphere was restful, the chairs comfortable and the service good. It was, in short, a *grande bouffe*.

Unless you want to be continually reminded of the faded glories of the British Empire, do not stay at the Metropole. Mr. Heath stayed there during the abortive Common Market negotiations of the early 1960s. It seemed as if no one had stayed there since. While the German delegation put up at the Hilton, and the American at the Regency Hyett, the British stayed at special rates at the Metropole where we swealed in our rooms and were kept awake by the traffic. When in Brussels stay at the Amigo. There is a lot to be said for Brussels, not least the fact that the Belgians like the British.

Nostalgia in a corner of Kent

GOLF

BEN WRIGHT

MANY BELIEVE that the return of the Open Championship to the south of England for the first time since 1949, when Bobby Locke won at Royal St. George's Sandwich, Kent—the first of his four titles—is long overdue. This is in spite of the difficulties in finding anywhere decent to stay, and getting to this tranquil and beautiful area.

But I was fascinated to read during a recent illness that Harry Vardon, in his book "How to Play Golf," referred to the Prince's course at Sandwich as "the finest test of golf I have ever sampled." Everybody is entitled to his opinion, but, personally I never hope to play on a better course than Prince's Sandwich. And yet it is by no means a links suited only to plus and scratch men. On the contrary it is immensely popular amongst the great army of handicap players who have tried it." Vardon's point was that every player, depending on his ability, could bite off as much as he could chew at every hole in terms of carry from the various tees, and so on.

Many years later the great American, Gene Sarazen, won the only Open Championship to have been played at Prince's, in 1932, and was later to tell "Laddie" Lucas, whose father laid out the course between 1905 and 1907 with Sir Harry Mallaby-Deeley: "Your Dad built a magnificent golf course; in my judgment the greatest championship golf course in the British Isles."

Alas the rude interruption of World War II saw the end of that great golf course. Lord Brabazon of Tara described the use of its greens for target practice as "like throwing darts at a Rembrandt."

In the words of Sir Guy Campbell, the links became "a battle training area guarded by minefields, barbed wire, tank traps and obstacles: and the buildings, judged by what was left when all was over, were used as billets and for practice in house-to-house fighting."

Restoration and reconstruction of the links began at the instigation of Sir Aynsley Bridgland, a golfer and successful London businessman, on Monday, July 4, 1949, as the Open Championship qualifying rounds got under way across the boundary fence at Royal St. George's. Sir Guy, their new designer, said: "The links looked like a derelict battlefield. Along and diagonally across them stretched a long line of concrete tank stops: everywhere there were drifts of picketed Dannert and barbed wire, slit-trenches, machine-gun posts and 'bunkers' military: over the whole area shells, bombs and cartridges lay scattered or in pockets. There were even two wrecked and burnt-out tanks."

Unfortunately, despite all the care and cash lavished on his new 18- and nine-hole layouts by Bridgland, his son, and others, the new Prince's never really caught on. My own opinion is that they were too flat and featureless—in a word, boring—from the first two holes, both lengthy par fives—onwards. When practising for the Halford Hewitt, played at neighbouring Royal St. George's and Royal Cinque Ports, Deal, I much preferred to motor into Sussex to sample the delights of Rye to hone my puny game to its pitch of perfection. Nor did the new links find favour with those who sponsor tournaments and organise championships. But my friend Peter Alliss must love the place. He won the Schweppes PGA Close Championship there in 1965 when hardly able to speak, his throat was so sore (beware of the sick golfer), and the Piccadilly tournament at Prince's in 1969.

I don't remember any other major events being played there since the place was restored. So Prince's is hardly the place to which Vardon and Sarazen referred in such glowing terms.

But it does offer very peaceful surroundings in which to play. As "Laddie" Lucas says so poignantly in his fine autobiography "Five Up," published by Sidgwick and Jackson in 1978 —the "five" referring to his varied and very interesting lives as journalist, war hero fighter pilot (my words, not his), international golfer, politician and businessman—"Here was for me, in my childhood, a Land of Make-believe. The larks sang to us from the heavens. Heat waves danced jauntily across the glistening waters of Pegwell Bay. Beyond the cliffs of Ramsgate, grey and secure, nestled low in the sea, just as they must have done 1,000 years before when St. Augustine landed with his followers at Ebbsfleet."

The only flies in the ointment when I last played at Prince's were the appallingly large, ugly and constantly intrusive power station, the nearby chemical factory, and the very noisy hovercraft plying its way between Ramsgate and Boulogne, or wherever. But it will be a delight to return to the Sandwich area. Royal St. Georges holds many happy memories for me, not the least of them that dreadful blizzard in April, 1966 when I was ill-advised enough to play in the Halford Hewitt for Felsted against Marlborough for some hours until the force nine gale dropped a couple of points, the horizontally driven snow at last settled, and we were put out of our misery by being recalled to the clubhouse.

Next morning when play resumed at 8.30 in glorious sunshine the snow had completely disappeared, and golf balls, left where they had come to rest the previous afternoon, dotted the links. But the zips on my golf bag—I had tossed it into the boot with my last ounce or two of strength—were still frozen up. As a direct result of that match, however, I was awarded the "job" of writing this column—a bizarre case of being in the right place at the right time.

It has afforded me the joy of travelling to most interesting corners of the earth and meeting a host of delightful people. I wish all of them, and many more who have written to me, kindly or critically, abused me by telephone, or damned me with faint praise in print, a very happy Christmas and all the best for 1981.

Mile after effortless mile

MOTORING

STUART MARSHALL

BY ALPINE standards, the San Matias Pass between Ensenada and San Felipe in Baha California is a minor bump of a couple of thousand feet. Climbing swiftly to the summit, the Saab 900 Turbo saloon had swept round the bends, cornering without so much as a whimper from its Michelin TRX tyres at far higher miles-per-hour speeds than the warning signs recommended in kilometres.

But once over the top of the little pass, the plain stretched as far as the eye could see. There was virtually no traffic; just a massive articulator or clapped-out pick-up at ten minute intervals. The road ran through scrub, littered with beer cans and bottles within bandy throwing distance from the tarmac. Every few miles lay the rotting corpse of a ten-year-old Ford or a Chevy, up-ended on its roof so the mechanical bits could be stripped easily for re-use.

The straights seemed endless. There were no signs saying "This road patrolled by aircraft" as there had been north of the border, for this was Mexico. They have a speed limit of 110 km/h (call it 70 mph) but in this wilderness it seemed irrelevant. In any case, you could have seen a police car miles away.

So my co-driver's foot went down. The boost indicator moved more deeply into the orange sector and the speedometer needle tried to bend itself against the 85 mph stop. (It was a U.S.-specification Saab. No car can have a speedo reading higher than 85 mph—that's the law.) But rev. counters are still legal. Ours sat on a fraction over 5,500 rpm which meant that the automatic we were driving was cruising at a steady 115 mph. For mile after effortless mile, the Saab ran on. There wasn't enough engine, road or wind noise to make conversation in the least difficult. The ride was admirable; even if we didn't see the wash-out signs in time to slow down, the suspension did not bottom.

Next day, I tried "off roading" in a five-speed manual 900 Turbo. Another quick run from San Felipe up a deserted highway—even the petrol stations were 50 miles apart—and then off the tarmac and on to a track. It started mildly enough; the ridged sand kept hitting the exhaust system but it was fairly level. Then came the hills—and the rocks. The first river crossing was easy; on the next, one of the cars in the convoy stopped, its transmission case cracked on a submerged boulder. We pressed on; there was a service car behind.

Now the gradients were 1-in-4, the surface so rough a way had to be picked between outcrops and holes. More watery gullies, switchback hills, hairpin bends; brakes on for a herd of cattle that materialised from nowhere; a final river crossing and we were at the lunch stop.

Afterwards, we turned around and went back to San Felipe, though the map showed that the track (one couldn't dignify it by calling it a road) eventually linked, 50 miles further on, with the north-south highway on the Pacific coast.

One mere river to cross. . . . The Saab 900 Turbo goes off-roading in Mexico

The Saab had felt as solid on the track as it had been swift and refined on the highway. As a very small manufacturer, Saab can't afford to make frequent styling changes. They concentrate on genuine product improvements and the 1981 model 900 saloon (first seen at the Geneva Show last March) has a courtier's manners with a bouncer's muscle. Saab consider the three-box saloon with four doors will overtake the hatchbacks in popularity and will increase their penetration of many European markets, Britain included.

It deserves to. I rate it as a car that must appeal to motorists with a feel for good engineering, who enjoy driving something fast and responsive but who also like exceptional safety factors—including bumpers on which lesser cars do themselves grievous bodily harm while leaving the Saab unmarked.

Prices range from £6,595 for the 900 manual GLS saloon with carburettors to £11,444 for the Turbo automatic. Power steering is standard.

Twelve weeks ago this column infuriated BL Cars when it said that the Ford Escort could not fail to become Car of the Year and that the Fiat Panda would beat the Austin Metro into third place. The results, announced last week, were: 1 Ford Escort (326 points), 2 Fiat Panda (308), 3 Austin Metro (255). I have no connection with the Car of the Year award jury. I just wish I could repeat the performance with Derby winners or high-flying shares . . . .

Stamina a necessity

RACING

DOMINIC WIGAN

TESTING GROUND in the extreme will be the order of the day this afternoon and backers will do well to ignore all those not proven in the mud. At Chepstow, where it was raining heavily throughout most of yesterday, it will not only need a mudlark but one with great stamina to land the three miles six furlongs Coral Welsh National.

Two who look better equipped than most for the arduous task facing them in the £17,500 Handicap are Peter Scott and Jack Madness. The first named, a much improved chaser according to his able handler, David Gandolfo, was seen at his most formidable in this event a year ago.

Always going well in an unusually fast-run race considering the glue-like conditions, Peter Scott was well in command after taking up the running before the long home straight had been reached. Despite tiring visibly close to home, and losing momentum through shying at a board on the inside rails, the Jock Scott gelding had four lengths to spare over Current Gold. The pair were followed home by Prince Rock and Master Smudge.

Peter Scott, who had to forgo tilts at both the Scottish National and the Whitbread later in the season owing to the ground being considered too firm for him, more than satisfied his connections over a somewhat inadequate trip in the Hennessey Cognac Gold Cup at Cheltenham last time out. There the nine-year-old was, predictably, running on as strongly as any, in third place behind Bright Highway and Silent Valley. Although Silent Valley should, on paper, confirm his superiority over the Gandolfo winner, I believe that it may be an entirely different story over this longer trip now that the ground has come up heavy.

Prince Rock, the veteran of the 19 runner party at the age of 12, has always shown his appreciation for this picturesque Monmouthshire track and attempts his fourth victory over this three and three quarter miles. Although he has not scored since defeating Modesty Forbids by 10 lengths here in February, Peter Bailey's bay is another who seems assured of a prominent role now that the torrential storms have swept in from the Atlantic. With only 10 stone nine pounds in the saddle, he looks a tempting each-way prospect at anticipated odds of around 16-1.

Further north no one should be surprised to see Little Owl return on a winning note as he makes his seasonal debut in the David M. Adams Developments Chase. The powerfully made gelding who has won nine of his 14 races to date, should be ideally suited by Town Moor's stiff two and a half miles.

CHEPSTOW

12.30—Elmbrook
1.00—Cheka
1.35—Prince Rock**
2.10—Swinging Trio
2.40—Majestic Star
3.10—Charbonnier

DONCASTER

1.00—Tommy Jee
1.30—New Lyric
2.00—Little Owl***
2.30—Little Bay*

MOTOR CARS

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF THE LAM COMPANY LIMITED
(in voluntary liquidation)
NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act 1948 that a General Meeting of the Members of the above named Company will be held at 1 Wardrobe Place, Carter Lane, London EC4V 5AJ on Tuesday 6th January 1981 at 10 a.m. to be followed at 10.15 a.m by a General Meeting of the Creditors for the purpose of receiving an Account of the Liquidator's Acts and Dealings and of the conduct of the Winding-up to date.
Dated this 8th of December 1981
P. GRANVILLE WHITE, Liquidator.

PUBLIC NOTICES

METROPOLITAN BOROUGH OF CALDERDALE
£1,100,000 bills issued on 17th December 1980 due 18th March 1981 at 13⅜%. Total applications £11,200,000 —bills outstanding nil.

TRAVEL

TRAVEL

EDUCATIONAL

LEISURE

And a star to steer her by

BOATING

ROY HODSON

SOME 3,000 copies of Reed's Nautical Almanac were in use in ships of the invasion fleet when the D-Day landings were made in 1944. I am indebted to the Duke of Edinburgh for that historical footnote. He has just written his congratulations on the publication of the Golden Jubilee issue.

Helping the navigators of that armada pick their way through the unfamiliar tidal streams of inshore Normandy must be accounted the most heroic role played by the almanac in its 50 years of publication. But Reed's is never off duty. The chunky little volume has won a permanent place at the navigator's table in European waters. For several years past there has been an edition for the east coast of North America as well. Now a third edition for the west coast of North America is being prepared.

As far as the yachtsman was concerned Reed's was, until recently, the only all-purpose almanac combining in its 1,200 pages a cornucopia of nautical information. Everything you might need to know (well, almost everything) is there from the true bearing of Pole Star according to your latitude, to the finer points of flag etiquette (eager amateur sailors are cautioned that special flags are always flown not worn).

Reed's embarks upon its second half-century with some stiff competition, however, from two sprightly youngsters The Macmillan and Silk Cut Nautical Almanac, and Channel West and Solent—a Nautical Almanac for Yachtsmen.

Each of the new almanacs has a distinctive style of its own and need not be compared with the formidable Reed's but considered on its own merits for what it can and cannot provide.

Channel West and Solent is the more specialised publication, confining its coverage to that relatively small but crowded sea area. It happens also to be the area where the great majority of British and Northern European yachtsmen race and make passages. Therefore the almanac has a special importance. Having used the first edition throughout last season while cruising as far west as Brest, I would not like to be without it in future. Presentation is superb, with big type faces that are easily read in poor light and rough weather. The loose-leaf pages are held in a ring spine so that it stays open and flat while things are sliding about the chart table.

The 1981 edition has kept the same clear format. But, to my mind, it has been greatly improved in content by further attention to an already good section on tides. The mysteries of the Channel tides have never been better unravelled. Nine of the Admiralty sets of tidal curves are printed opposite the tide tables for Channel ports.

Another new section on offshore racing brings together a lot of information that previously was scattered through many publications. It may seem an extravagance to spend £7.50 on a compendium of west Channel information in addition to purchasing one of the wider-based almanacs: regard it as an investment towards carefree sailing.

The Macmillan and Silk Cut Nautical Almanac is an ambitious work claiming to be the first comprehensive almanac designed specifically for yachtsmen in North-West Europe. Big it certainly is. It is as thick as Reed's (two inches), has a much bigger page size, and is the heavyweight among the almanacs weighing in at 4½ lb. A logistical problem facing skippers of yachts under 30 ft will be where to stow its bulk.

The first half of the new almanac broadly covers the same territory as Reed's. The general information section is particularly informative. But my hackles rose when I reached the astro-navigation section only to be offered a new sight reduction method which is specifically designed for the almanac and which has its own special tables.

The occasions when yachtsmen use astro-navigation in coastal cruising are few and far between. Most amateur astro-navigators know how to use the short method tables or the Haversine method. Their biggest difficulty is to remember what they have learned between sights and between seasons. They need yet another method like they need a hole in the head.

The most useful contribution to European navigation made by this almanac is the second half of the book which contains harbour, coastal, and tidal information for the British Isles and for Europe from Elbe to Brest.

The small charts of 235 harbours are well drawn and will do a great deal to remove the nagging doubts that afflict the best of us when approaching a strange port. The cartographers have not got everything right first time but their contribution gives this almanac a special style of its own. The second "Macmillan's," as I expect it will be known, will be judged by the standard of the up-dating of this valuable collection of harbour plans.

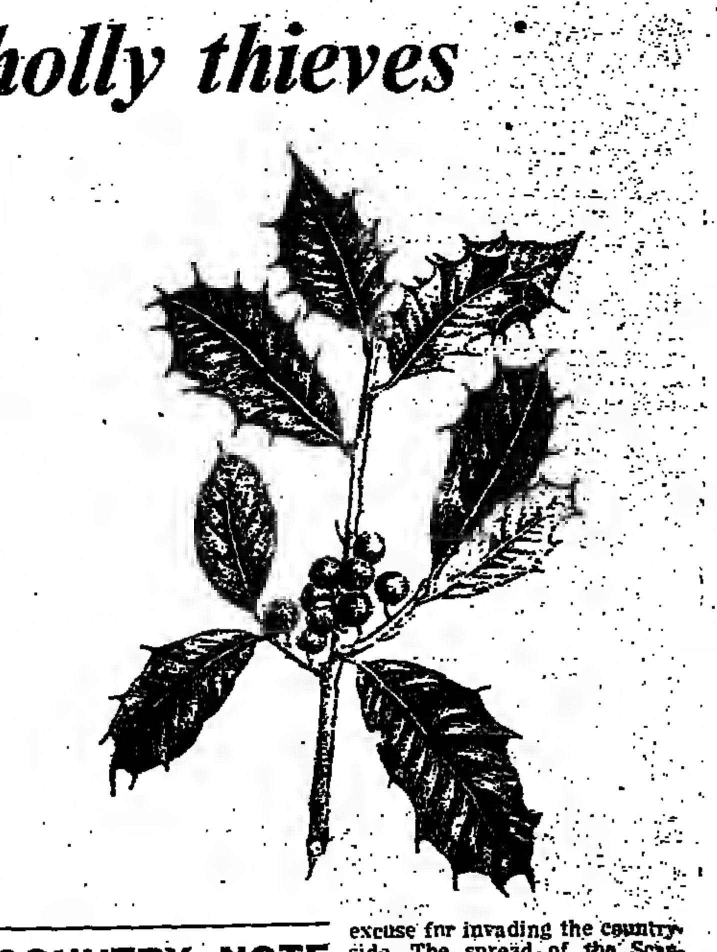
Reed's Nautical Almanac. Published by Thomas Reed Publications. £7.95

Channel West and Solent—A *Nautical Almanac for Yachtsmen*. Published by Channel Press. £7.50

The Macmillan and Silk Cut Nautical Almanac. Published by The Macmillan Press. £8.95

Beware holly thieves

BERRIES APPEARED early on the holly this year, and thieves began their activities in good time. By the end of November holly trees in out of the way places began to show the marks of their attacks. Some of them just cut off the tops, take off the berried branches and leave the rest to waste. These attacks will accelerate during the run up to Christmas when the amateurs will join in the fun.



I should explain that the first attackers are professionals. They gather their spoils to send to the markets or greengrocers. There was a time when they used to call round and buy the holly by the tree and this ensured that no one else took it; but of recent years they must have found the margins too narrow and so have reverted to stealing it instead. They are very hard to catch, operating mainly at night having first marked down the trees in daytime excursions. Even if they are caught it is very difficult to do anything about it. I haven't heard of a successful prosecution for holly stealing for years.

This is probably because the majority of police and magistrates are urban minded. The urban mind has the notion that the hedges in which most holly trees grow are perfectly natural phenomena belonging to no one in particular. They don't take into account the fact that the farmer has probably left the tree to grow for reasons best known to himself, and not for the benefit of the holly stealers.

When it comes to catching the culprits I would sooner have the professional. He will produce a bundle of notes and try and buy my silence or at least my acquiesence and if he has already knocked the tree about I usually fall for this one. But it does not happen often enough.

The amateurs are a very different kettle of fish. Three years ago I caught seven different family groups desecrating my hedgerows on one Sunday afternoon by gnawing off the berried branches with a selection of blunt garden tools. But because they only want a few sprigs, they say, just enough to fill the car boot or the roof rack it is excusable. It is such fun for the children and it would be unkind to deny them this treat.

They look at me as if I am some sort of scrooge and the grown-ups make loud remarks about oversubsidised farmers denying the providers of farm subsidies the compensation of a few crumbs falling from the rich farmers' hedgerows, which they probably did not plant anyway.

Those who steal my Christmas trees have exactly the same attitude claiming if they are caught that they are only taking one or two out of so many. I can't run fast enough to catch them now but they still will fell a twenty foot sapling and take the top, leaving the rest to spoil.

COUNTRY NOTE

JOHN CHERRINGTON

One lady asked me what harm they were really doing and I said that it was exactly as if I had invaded her garden, and taken a sample of her roses on a Sunday afternoon. The hedgerows round my farm are my own property, and presumably I could do what I liked with them. She did not agree at all. She inferred that this was a most selfish attitude. She was quite obviously either an ecologist or an environmentalist which gave her the licence to pick some one else's holly.

If I had any sense I would enclose my trees within a high wire fence and only let the public in on a pick your own basis at 5p a berry. But that I gather would entail planning permission and so on, and as holly is only berried every four or five years the overheads probably would not be worth it.

But holly stealing is only a seasonal affair. There is another much more insidious excuse for invading the countryside. The spread of the Scandinavian log-burning stove has created an insatiable demand for firewood. I always thought that the main benefit of these stoves was that they warmed the person gathering the wood and cutting it up. They still do but few gardens have enough waste wood to keep them going for long.

Then it is into the car and out to the hedgerows and woodlands. They are not content to pick up the fallen sticks. When I see them out with their chain saws at the ready they are all too often tempted to practise euthenasia on any tree which looks as though it has outlived it usefulness. Some of the most respectable people have invested in small trailers and can be seen meandering through the lanes spotting likely fuel and taking it without a by-your-leave. How do they know that the branch in the hedge has not been purposely left to mature by itself.

The only way to cope with all this is to get rid of the temptation altogether. Hedgerows and hedgerow trees are nothing but a nuisance and an expensive one in modern farming. Yet if I push one out there is an immediate wave of protest. But if I were to give everyone a free hand once and for all to cut the lot down themselves, they might get rid of the trouble at no cost to myself and without any moral outburst about despoiling the countryside.

Seasonal sentiments

STAMPS

JAMES MACKAY

FOR THEIR 15th series of Christmas stamps the Post Office decided that the time had come for an entirely fresh approach. Hitherto the religious aspects of the season have been emphasised, but over the years a surfeit of angels, shepherds, Magi and every aspect of the Nativity, from stained glass to Old Masters, had produced the feeling that perhaps it was time a more secular approach was adopted.

The brief to designers, therefore, called for a series depicting the decorative aspect of the festive season. The results, by veteran designer Jeffery Matthews (who gave us the London 1980 and Queen Mother stamps already this year), are a blend of the traditional holly and mistletoe, with their pagan overtones, and the sort of tinsel and glitter we used to associate with civic decorations in palmier days. Predictably this issue, with its materialistic, not to say commercial, flavour, has been severely criticised by religious fundamentalists who have even called for a boycott of the stamps since they contain no reference to Christ. A similar outcry was raised in 1968 when Rosalind Dease produced designs showing some pretty up-market toys.

Elsewhere in the British Isles the Christmas message has been rendered in some unusual ways. The Republic of Ireland has come closest to the traditional theme, with a Nativity scene on its three stamps, but as the painting was the work of Geraldine NcNulty, aged 8, the prizewinner in a competition sponsored by Texaco no less, it makes a refreshing change from interminable Old Masters. Miss McNulty's name and age appear on the stamps but, tastefully, no mention is made of the sponsors. The Isle of Man has combined Christmas with a plug for nature conservation by featuring a robin and a wren on its two stamps, both birds being closely associated with carols and greetings cards. Guernsey has never issued Christmas stamps, but plans to do so in 1981 and has already announced the designs, which include a Boxing Day meeting of foxhounds.

The Christmas stamps from the rest of the world divide fairly neatly into sacred and secular categories. The majority have stuck to the well-worn path of sacred art, a theme which finds particular favour in the Pacific area, judging by the predominance of stamps featuring Old Master paintings. The Cook Islands' set of four stamps and miniature sheet reproduces Annunciation, Visitation, Nativity and Epiphany scenes taken from a 13th century French prayer book. Neighbouring Niue, taking note of the fact that the 450th anniversary of the death of the Renaissance artist Andrea del Sarto occurred this year, has chosen four Virgin and Child paintings by him, from the Borghese Gallery, the Hermitage and the Prado. Aitutaki's quartet show medieval polychrome sculptures of the Virgin and Child. Vanuatu's first bilingual stamps show paintings by Memling, Paeber and Van der Werff, while the Solomon Islands have a series of musical angels, derived by Clive Abbott from Renaissance paintings, and George Vasarhelyi has adapted religious paintings by local artists for the set issued by Western Samoa.

Both Australia and New Zealand generally favour a mix of the sacred and the secular, a policy maintained this year by the latter whose three stamps depict Madonna and Child with Cherubim by Andrea della Robbia, the mid-Victorian Anglican church of St. Mary's, New Plymouth and a typical Christmas picnic, harking back to a time when New Zealand's summer weather was infinitely more predictable than it has been of late. After dabbling with surfboard Santas and a collage of gift-wrappings in previous years, Australia has returned firmly to the traditionalist camp this year. The three stamps show The Holy Family by Prospero Fontana, a detail from Justin O'Brien's triptych of the Virgin Enthroned and a polychrome wood carving of the Madonna and Child.

For Christmas Island, a country which understandably makes a big philatelic issue of this season, Jennifer Toombs has produced a charming interpretation of the carol It Came upon the Midnight Clear. The same artist has used this approach also for the Christmas set of the St. Vincent Grenadines, the designs being inspired by the West Indian carol *De Borning Day*. The story of the Magi is unfolded on the stamps of the Cocos (Keeling) Islands, while Nauru has opted for quotations from the New Testament.

A problem confronting postal administrations is how to inject variety into religious art. Cyprus has chosen carved pulpits and iconostases this year, while the Faeroes have selected church pews with appropriate carvings. Luxembourg has come up with the most novel medium of all—*verre églomisé* (under-glass painting) portraying Saints Martin, Nicholas and George and the Virgin and Child. Religious triptychs are reproduced on the stamps of Malta and Greece, and stained glass windows—hitherto a very popular subject—are confined this year to the Austrian stamp portraying the Virgin Mary from the collegiate church of Viktring and the Zambian set which also celebrates the jubilee of the Copperbelt Catholic Church. Churches themselves are featured on the stamps of Lesotho and Jamaica.

Juvenilia in the broadest sense provides an abundance of material. Dominica, Grenada, Grenadines of Grenada and the Turks and Caicos Islands have produced sets featuring Walt Disney characters—Peter Pan, Snow White, Bambi and Pinocchio respectively—while Tristan da Cunha's set of nine shows nursery rhyme characters. The Finnish stamps show children playing Christmas games, while East Germany's miniature sheet shows historical toys.

HOW TO SPEND IT

by Lucia van der Post

Tinsel Time

CHRISTMAS doesn't seem to me to be a time for understated elegance—it's much more a time for going slightly over the top, for revelling in decoration for the sake of it, for lots of glitter ond razzmatazz. I don't believe in not bothering whether it be over decorating the house, wrapping the presents or presenting the food. If there are lots of other people about, porticularly children, it's oll the more worthwhile and if there oren't, then the house needs cheering up even more.

Not all decoration ideas need cost a fortune. In our household we've collected paperbags full of durable decorotions of one sort or another all through the years and each year we add to them ao that by now there is quite o choice. If you're starting from scratch, the most successfully decoroted trees seem to be the ones that stick to some sort of colour scheme—either oll silver, oll gold, or silver or gold with one other colour. It's the ones that are on unco-ordinated mass of colour thot don't somehow seem to work. Last week I saw o truly beautiful tree just decorated with silver tinsel and mosses of soft pink bows, made from ordinary ribbon for wrapping presents.

If you're short of ideas you can't do better than look at what all those clever display men do in the best, most glittering stores. For my money the best storehouse of decoration ideas is to be found this Christmas of Horvey Nichols—the Christmas trees, olas, specially imported from Germany, hove been such a wow with the customera that they're almost hod to resort to tying them down. Poul Dyson is the display manager and he hos alternated foirly expensive tree trimmings (silver and gold balls, rother Scondinavian red wooden decorations) with very inexpensive ones. He got his display team to cut out shapes of angels, sledges, stars ond the like on ordinary white card and then sproyed the shapes with ordinory spray glitter—the effect is simple but atunning. If you hove willing children oround you could set them to work.

Porticularly hondy for readers of this journal, he has, elsewhere (in December's issue of Cosmopolitan) shown just what can be done with the Financial Times itself—he has used the poper to make o whole series of fons which he decorates with a border of gold glitter and then ties to the tree with white ribbon.

If you just wont to rush in somewhere and buy your decorations ready-made I think the best places are The Danish House, 16, Sloane Street, London SW1. As the name implies the shop is full of all those typicol Scondinavian ideas for decorating tobles—things like runners down the toble, flowered circles to put round the base of candles, red-pointed wooden candleholders of all aorts. Another inexpensive but very effective idea is a cone-shaped metalfoil cover for candles or lights—stors and angel shapes ore pierced in the foil and let the light through. £2.50.

Paperchase (branches ot 167, Fulhom Rood, London SW3, 216, Tottenhom Court Road, London W1, and in Horvey Nichols) olways hos o marvellous selection of decorotions. So too does Heal's of 196, Tottenhom Court Road, London W1.

If you've left it to this weekend you will probobly find that shops like Woolworth ond other choin atores only hove the distinctly nastier numbers left but they con usuolly rustle up something, if you're reolly stuck.

When it comes to wropping up presents I thought it best to ask a couple of experts on how they'd set about it. They give some ideas below.

Hugh Routledge

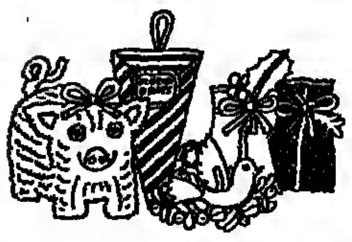
Tricia Guild, who is the design inspiration behiod Designers Guild of 277 Kinga Road, London SW3 believes io taking time and trouble not only over the wrapping of parcels but also over giving the whole house a happy, holiday feeling. She hardly ever buys anything ready-made but on the other hand she doesn't believe in using expensive ingredients for what la, after all, an ephemeral pleasure. She often takes plain tissue paper and cuts out flowers or other shapea. She finds paper is one of the simplest and most effective ways of transforming a room but she takes care to use it with discipline—at the moment the windows of her own two shops in the King'a Road are awash with ordinary streamers but al: chosen in the ice-cream colours that she has made her own.

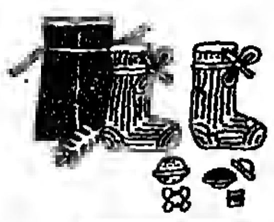
When it comes to wrapping parcels, she often chooses a theme. Last year for her young daughter she chose an Oriental theme. It looked pleasingly severe and grown-up and was based on using o lot of ribbons that she stiffened by painting them with fine glue.

This year there seems to be a lot of gold about so Tricia Guild has used plain white calico (it can be bought very cheaply by the yard, or metre, in almost every department store) and then using ordinary gold paint that is found in modelling shops, she paints each parcel by hand. It doesn't take a lot of time as the handpainting is done with bold splashes rather than with careful delicacy but the effect is quite stunning.

In one of her showrooms she has used larger-than-life boxes, again covered in calico and painted with gold, to create a rather Alice-in-Wonderland feel to the shop. Ice-cream coloured streamers give this original display a highly decorative air.

Those who can't face another year of the Christmas tree moulting in the house might like to copy her idea for a decorative tree—in the window at No. 277 she has used a dead tree, bereft of leoves, sprayed it white and then tied bunches of dyed Honeaty to it at intervals—Honesty is now available in quite a few shops dyed in lovely shades of lime green, delphinium blue and sunshine yellow.





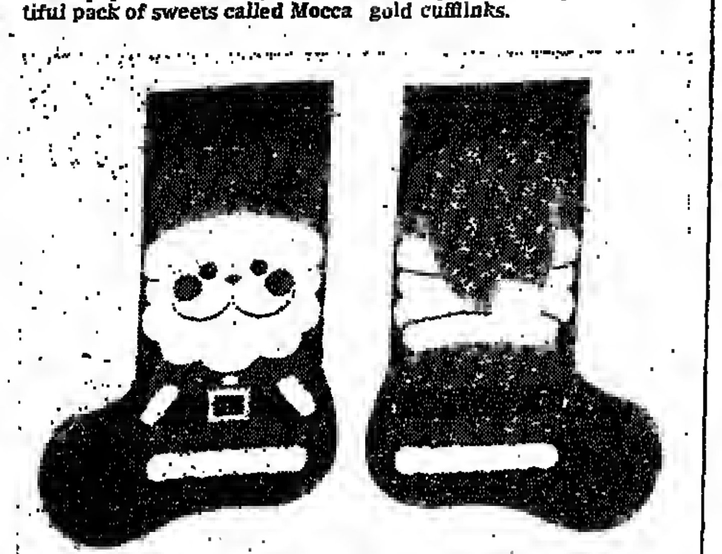
JULIET Glynn Smith has designed so many yards of wrapping paper and fabric that I thought she was an ideal person to devise a special wrapping for this Christmas. She believes that packaging is at least as importaot as the present and that the gradual unwrapping should provide at least half an hour of surprises.

In her drawiogs, above, you will see that she presents the parcel all wrapped up in a crisp copy of the Financial Times, the whole tied with pink ribbon and a satin appliqued flower.

After unwrapping the paper you come upon a cardboard box inside which is a beautiful hand-blown glass container (from the Conran shop) also tied with pink ribbon and topped by a hand-knitted Father Christmos (from Inca—but they have now sold out). This is foll of more surprises. Each of the other packages is carefully chosen and wrapped—there's a washable toy pig wrapped up in tissue paper ond a bow; a beautiful pack of sweets called Mocca drops from Denmark; an Italian biscuit packed in its own wrapper; a Christmas dove in wood, sittiog oo a oest of mistletoe.

Then come two cotton bags from India, one holding cigars from the Philippioes, the other containing a pair of simple cashmere socks, made in Scotlaod. In each sock lies a walnut shell. One shell holds a tiny drawiog and the other hides the maio present—a pair of plain gold cufflinks.

Juliet Glynn Smith



STOCKINGS are an indispensable part of most people's Christmas—for children and adults it is that feeling of plenty that only the stocking can give and that most of all aums up present-giving at Christmas. Many shopa now sell reody-made stockings and very beautiful they cao be—though they often seem to he a dreadful price. If you are still looking for stockings, at reasonable prices, the best value I've come across is the panel of four stockiogs printed onto fabric that can be bought in the dress fobric departments of John Lewis, Oxford Street, Brent Cross and Edinburgh, as well as many other stores in the group.

For £2.95 you get the possibility of four different stockings—one is printed with Father Christmas, above, one with a snowman, a third with a toy soldier and the fourth with a teddy bear. The snag is that you have to cut them out and sew them together—not difficult if you have a machine as only very simple hemming is required, but rather laborious for those who would have to du them hy hand.

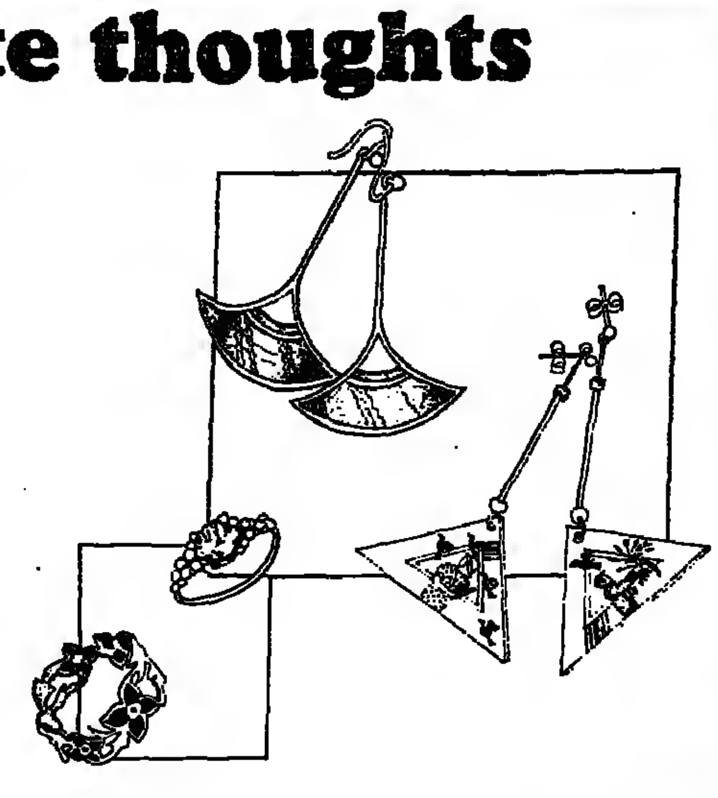
●

Candles are the other great indispensable. Very special and perhaps the ideal house present are the French Rigaud candles. Not so special to look at but to smell, the scents, Pine (my favourite), Saodalwood, Honeysuckle or Spice, are the most intriguingly suhtle that I've come across. Not cheap the large size is £21, the medium £14.95 and the small size £8. Find them in smart department stores (though Harrods has run out until the New Year) or The Candle Shop in the new Covent Garden market. Not scented but lovely to look at are the Jerusalem candles — which come in o huge range of different colour combinations, all looking rather like stained glass windows. The outside never melts so you can refill them — large size £5.49, small £4.99.

Last-minute thoughts

ALL the presents honght and wrapped, pndding made, turkey ordered? I do know households like that hut onrs is certainly not one of them. Last-minute rush, panic on the night, frenzied searches for yet more wrapping paper on Christmas Eve just as the last shops ahut, are par for the course. And actually that's exactly how I like it—I don't quite know what I'd do with the hours of colm that all those well-ordered households must have.

If you are the sort of family that has everything wrapped np in Octoher you had hetter lurn to the other pages. Today's page offers a few suggestions for those who are still woadering whot on earth to huy and it's partienlarly almed at helping men (the chief culprits in the leaving-it-until-the-last-minute game) who might still be looking for ideas.



THERE can bardly he a small town in Britain that nowadays doesn't hoast a small craft gallery of its own and anyhody looking for original, one-off pieces of jewellery might well find it right on their own doorstep. In London one of my favourite small craft galleries is the Casson Gallery, ot 73 Marylehone High Street, London W1. Pan Henry, whose gallery it is, has a marvellions selection of jewellery in this Christmas—styles raoging from the most delicate to the most dramatic. Shown here is a selection of her latest offerings.

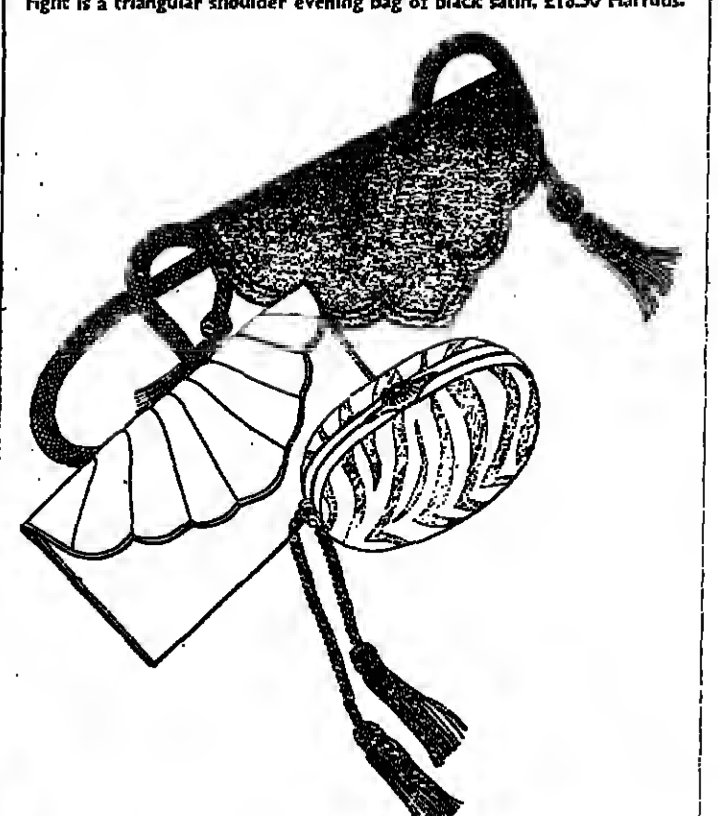
In the sketch above the ring on the far left by Jo Wehster is exceedingly good value heing oade of silver, enamelled in various colours (choose from pink, green, hlue or amher) for only £15. Above it is a 9 carat gold and coral rose ring hy Eves van den Berg—quite different in character it has an almost Victorian air. £38. Earrings, as most people have noticed, are very much in vogue and for evening really dramatic swinging ones are to he seen all over town. Abigail Fleissig made the fan-shaped silver and shell earrings drown at the top, they are eye-catching enough for even the most extrovert taste. £25 the pair. Miniature works of art are the hand painted triangulor eorrings hy Cathy Harris on the right, £36.

ABOVE

If you can't run to a full-length fur nothing adds more instant glamour than a couch of fur ot the neck. Harrods has some wonderful fox tail hoas—what I particularly like about them is that they aren't too fat and bulky so that even those who are less than model height and more than model width can wear them. In soft shades of brown and beige the fox tail versions are £100, from the fur department. Much cheaper, just as windproof and very glamorous are Harrod's feather boas at £35 (Dress Trimmings Dept.) ond, cheaper still, racoon-tail boas from Fenwick of Bond Street, London, W1, at £16.95 (p + p 60p)

BELOW

If you want to give her o handbag don't give her one of those old-fashioned sequinned numbers (unless it's so old you've found it in an antique shop) or one with gilt-chains. Shapes of evening bags have changed enormously (which is one good reason why it is an ideal present). Here we have sketched a selection of three ond even if you don't live near the particular stockist they show the shapes to look out for. The most extrovert or dashing of them all is the rigid oval bag with tassels, in the front. In gilt or silver £39.50, Harrods. On the left at the back is a clutch shape in soft suede with a scalloped flap. In a large number of colours all trimmed with gold braid, it is £21 from Peter Robinson, W1 and Fenwick at Brent Cross. Back right is a triangular shoulder evening bag of black satin, £18.50 Harrods.



Drawings by Celia Baker

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If nothing in the sketches above nppeals to you, what abont aomething really new and luxurions in the both line? Czech and Speake has produced some of the most heantifully packaged hath luxuries I've ever come across — exquisite simple beavy glass bottles bolding shampoo (£7.50), a lovely herby hody oil (£18.50), conditioning lotion (£8.90), Elizahethan frangiponi wosbhalls (£8.50). As you can see not cheap, hnt very special.

For those who are still searching for something for Him — Richard Kihl runs a wine accessory shop at 164 Regents Park Road, London NW1 and opart from reformed olcoholics there can't he many men who wouldn't welcome something in that line, whether it he an amazingly efficient hottle opener, an antiqne decanter or claret jug or Hngh Johnson's pocket wine book.

If you've left things until this weekend yon could always organise a snbscription of some sort—whether to a gym or squash club, to the Friends of Covent Garden, Friends of the Tate or his favourite magazine.

Londoners who want to make use of the weekend for ahopping might like to know of two places to go on Sunday—I hear on the grapevine that many shops in Covent Garden will open while the Camden Lock market stalls are always a good hunting ground.

ARTS

Axing the Arts

BY ANTONY THORNCROFT

For tha first time in its 36 year history the Arts Council is swinging the axe among its 1,200 arts clients. Forty-one groups heard yesterday that they can expect no money from the Arts Council in 1981-82. For some of them it could mean closure.

The higgest name on the list is the Old Vic Company, which this year received £300,000 from the Arts Council for its touring activities. Now it will get nothing. The Council was never enthusiastic about the plans of the Prospect Company (as it was then called) to set up a permanent London home at the Old Vic, and then take over the name, and refused its pleas for money for the venture. Now, perbaps believing that the money the Old Vic has made from its *Macbeth* season with Peter O'Toole will keep it in the hlack, it is stopping all support.

The Old Vic said yesterday that all its touring plans after May would have to be suspended. It was in a state of shock hecause it had always heen regarded as the main touring drama company and had recently completed a tour of eight UK cities with total audiences of over 70,000. It admitted that its financial position was mnch hetter than a year ago because of its success in attracting 82 per cent capacity this autumn to the Old Vic but was at a loss to know why it bad heen singled out for such harsh treatment.

The Arts Council is rednclng its clients even though its grant for 1981-82 from the Government shows a fairly reasonable 12 per cent rise to £77¾m. In the past it has heen criticised for being too slack with some sub-standard arts groups, keeping them on board at the expense of taking on new and more worthwhila ventures. So it has decided on a radical change of policy, dropping a fair number of groups each year while pumping above average increases of funds to deserving cases. At the aame time as it announced the withdrawal of money from 41 groups it announced that 46 others were to receive above average rises of support in 1981-82.

The cuts will give the Arts Council an extra £1.2m to distrihnte elsewhere. Apart from tha Old Vic the hest known sufferers are the *National Youth Thaatre* and the National Yonth Orchestra. Sir Roy Shaw, director-general of the Arts Council, admitted that there had been long discussion hefore their aid was cancelled hut the Council was confident that they would he able to survive on support from other sources, mainly industrial sponsors.

Among drama companies Action Space in London; the New Shakespeare Company: Canterhuy Theatre Trust; Crewe Theatre Trust; Overground, and the Almost Free, also in London, are victims. The Brighlon Philharmonic loses its grant as do a group of festivals—those at Arundel, Buxton, Greenwich, Ludlow, Nottingham and Windsor. Among other well-known losers are the Barrow Poets, the City of London Festival, and a couple of magazines, *Gambit* and *Bananas*.

On the other side of the coin are the gainers, gronps that will receive more than the average 12 per cent increase in aid next year. Provincial orchestras, which have been having a particularly bad time, are among the main beneficiaries—CBSO, Hallé, Bournemouth, Royal Liverpool, Northern Sinfonia are among the groups that might anticipate up to 20 per cent more money than this year. Among the festivals Aldeburgh, Bath, and Cheltenham do better and daoce companies are also heing supported more, reflecting the greater popular interest in dance. Drama companies to recelve a hoost include Common Stock, Monstrous Regiment and the Half Moon, and at the expensive end, English National Opera North, has done well.

Already the companies dropped by the Arts Council are complaining bitterly, particularly about the lack of notice. Action Space in London which received £25,000, half its income, from the Council does not see how it can continue and is worried that the ahsence of any indlcation has left its four trustees responsible for a deficit of £15,000.

In the past the Arts Council has only dropped a handful of companies each year. If it goes through with its plan to make the shake out an annual event it should certainly liven up the performances of its clicots. Another straw in the wiod aonounced this week was that the Council was allocating less money in the form of awards and bursaries to artists, writers, etc.

Sir Roy Shaw made the point that all the companies dropped could receive aid for 1982-83 if the Conncil jndged them worth while.

The Rivals

BY B. A. YOUNG

The Greenwich Theatre production of Sheridan's *The Rivals* is played with a happy show of youthful ebullience that reaches even up to the senior characters. The result, though cheerful and enjoyable, is that there is a certain sameness about all the parts; they seem to he doing their turns without much concero with the actual significaoce of the plot. The director, Patrick Mason, may reasonahly defend himself on the ground that the plot is fairly trivial stuff designed only so that pleasant young people should come and be pleasant hefore us, and if that's all he's after, he has got it. Tim Woodward is a very handsome and elegant Jack Absolute; Nina Thomas is a pretty Lydia, though I must make two reservations about her — after a single scene with Marilyn Cutt's Mummerset Lucy, she forgets to he bookish, and her Afro haircut would never do for 18th-century Bath.

Bnt we have to take it on trust that this is Bath, anyway, for Frank Conway's designs are confined to splendid but anonymous panelled interiors, save when a curtain is dropped to provide a sylvan glade where Mr. Woodward can fence with Ivan Beavis's Sir Lucius. Mr. Beavis seems very much the senior of the seniors; Joyce Grant's Mrs. Malaprop looks almost young enough to be Lydia's elder sister, and I suppose there's no reason why she shouldn't have been a comparatively young widow such as society teemed with at that time, at any rate in plays. Sir Anthony Absolute also has something of the hig hrother about him in Anthony Sharp's image.

Two performances that stand out are those of Enn Reitel as Boh Acres and Nickolas Grace as Faulkland, the former hecause clodhopping Boh is a part that can't possibly be played to conflict with any other and Mr. Reitel has got him very neatly, the latter hecause Mr. Grace produces a little gem of acting that for itself alone is worth going to Greenwich to see. Faulkland is a dour character, and Mr. Grace's casting seemed mistaken to me until I saw his performance. He has imbued the part with more comedy even than the specifically comic parts, and this without any violence to the balance of the characters.

Nickolas Grace and Clare Higgins

Ben Travers

BY B. A. YOUNG

Somehow one felt that Ben Travers, who died on Thursday, would go on for ever. His last new play, *The Bed Before Yesterday*, came to the West End in 1976, when he was 89; another is due for next year, when he would have been 95. Far from showing any slackening of style, *The Bed Before Yesterday* was genuinely of its own day, and moreover marked a broadening of his dramatic scope, with a new-found sympathy not used in the farces for which he was famous.

He remained amazingly alert and humorous, with a faultless memory going hack through his whole life. No one at the 90th birthday party given for him at Drury Lane will forget the alacrity with which, to make up fo his littla height, he climbed briskly on to a chair to talk to the guests. He was an instinctively friendly man; he had an endearing way of writing letters in his own hand to thank critics for their notices.

Ben Travers waa born in 1886. When he left Charterhouse he had a hrief career in business, first in the City, then in Malaya, but he came home shortly before the First World War to join a publishing house and to write novels, some of which were later turned into plays. In that war he served in the RNAS; one of the young pilots he taught to fly was Kenneth More's father. (In the second war he served in RAF Intelligence.) His first play, *The Dipper* (adapted from a novel), appeared in 1922; the great run of farces which he wrote for the Aldwych, with an almost permanent company headed by Tom Walls and Ralph Lynn, began in 1925 and continued until 1933, nine plays in all. He wrote 23 plays altogether—24 if we can include next year's—besides five novels, short stories and innumerable film scripts.

His style depends almost solely on situation; few of his lines sound funny if spoken out of context, and he never essayed the epigrammatic. He believed that the lines contained all the necessary humour without any extraneous effort by the players, a creed no doubt fostered hy his having learnt his trade with such a superlative company. The players' task was aimply to play the script. "They're all trying to be funny," he said disapprovingly at a recent revival of one of his farces. In a Ben Travers play, there was no need to.

The Merry Widow

BY MAX LOPPERT

The Colln Graham production of the favourite Lehár operetta, new last January, returns to supply the English National Opera's seasonal entertainment at the Coliseum. It is decently done, and would be even more enjoyable for a crisper drilling of the varioua routines — on Wednesday neither the dancers' lines, gambolling and can-canning away, nor the chorus formations quite clicked into place. This matters; indeed, in the first two acts one sensed that it is the way the company fill out David Collis's Art nouveau sets and costumes, rather than the designs themselves, that persistently threatens gaudiness. Act 3, in black, silver, and splashes of scarlet, looks good. In general, it requires only the faintest memory of the Royal Opera *Fledermaus* in all its flabby perversity to inspire gratituda that the underlying style of this *Merry Widow* at least keeps faith with the given material.

Hanna and Danilo are again Catherine Wilson and Emile Belcourt, she from the January second cast, he from the first. Both work minor miracles with intractahle vocal material; Miss Wilson's soft notes in the *Vilja-Lied* gain unexpected poise and lustre. Because hoth are personable, communicative players, mature in their attractions, their manner of elegant anthority sitting naturally on hoth song and dialogue, the piffling will-she-won't-he of their entanglement sustains greater interest than it properly merits. Marilyn Hill Smith, new as Valencienne, is clear, unforced, eveo touching: Graham Clark's Camille, unsparing of voice, remains a trifle charmless in a role that should be all melting charm. His share of the summerhouse duet—itself the hest thing in the score—cried out in vain for a softer caress.

There is too much cheery imprecision in the supporting company; Eric Shilling (Baron Zeta) and John Fryatt (Njegus) give their long-familiar stage routines vigorous new exercise. Ooce past a noisy, hard-driveo opening, Hazel Vivienne conducts with genuioe fizz, though the romantic numbers could take still firmer rhythmic hackbone—in Lehár to be too droopingly slow is to be instantly sentimental. Measured by the highest standards of operetta *The Merry Widow* must he reckooed a soft-centred sweetmeat; on Wednesday, it seemed to retain some savour even so.

A gremlin in Wednesday's notice of *Les Contes d'Hoffmann* made incomprehensible my description of Domingo's hero. In the sentence "One hesitates to suggest that the result proves only intermittently atylish," the word "stylish" was omitted.

Osterley furniture restored

The State bed at Osterley Manor in West London is being restored with the help of funds provided by Williams and Glyn's Bank. The bed is one of the most elahorate and ambitious pieces of furniture designed by Robert Adam, the fashionable 18th century architect.

Osterley Park and Williams and Glyn's are linked in history. Francis Child, the man who gave his name to Child's Bank (now incorporated in Williams and Glyn's) bought Osterley in 1711. His grandson commissioned the bed, which is decorated with panels hearing the Child family crest and Marygold—the sign of No. 1 Fleet Street where the bank moved in 1666 after the Great Fire. Osterley Park remained the home of the Child-Villiers family until 1949 when they gave it to the National Trust. It is administered by the Victoria and Albert Museum.

London Sinfonietta

BY DAVID MURRAY

With the completion of an Oliver Knussen piece still vainly awaited, the Sinfonietta turned instead to Robin Holloway's recent *Aria* for 14 players for their Wednesday South Bank concert. A sense of potent unease is conveyed through its tidy, assured construction, and a suggestion that a larger, more violent work lurks in the offing. *Aria* is a succession of strophes with introductions and an explosive ending. Irregular, evasive, tremoloes and ostinatos run through much of it; the musical material is tight-lipped, and yet floridly elaborated. The sound is generally transparent, the sense clouded and sullen. A striking, uncomfortable piece.

By comparison Gerhard's 1968 *Libra* sounded extraordinarily sunny, as of course it is, and Simon Rattle conducted it with thorongh understanding—none of its brightly contrasted sections seemed a mere patch of colour, though the work remains among the most aurally seductive music of the past 20 years. Perhaps its haunting close—like folk-instruments musing remotely—was a fraction too candid. It was good to have John Williams back with his original guitar part, and a further pleasure to hear him in Petrassi's solo *Nunc*, dignified rhetoric given depth by judicious appeal to the varied attacks the guitar invites.

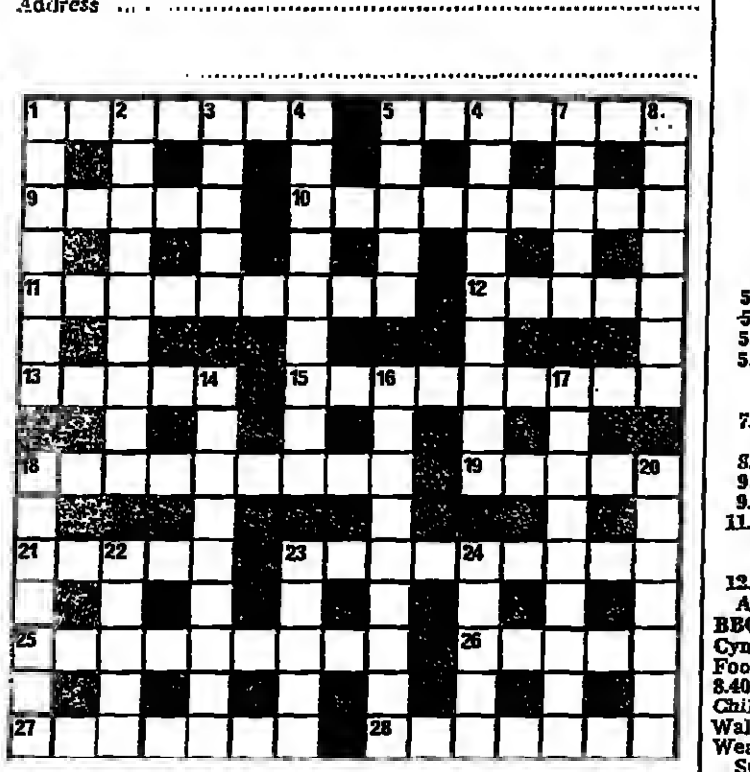
Elise Ross appeared for Schoenberg's *Pierrot Lunaire* in a costume and manner devised by Sylvano Bussotti. The effect vivid and archly elegant, suited the work at least as well as the demented-Pierrot style sometimes favoured. The musical scale had nonetheless to be reduced—I wondered how much of the piece could have reached the rear stalls: Miss Ross's soprano is not large, and Rattle kept the instrumental quintet carefully damped. The gestures of the music are often hroaded and heavier than these constraints permitted, and what we heard was a brittle, exquisite, thin account of it that rednced (for example), its suhstantial Brahmsian component to nothing.

F.T. CROSSWORD PUZZLE No. 4,451

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Connon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



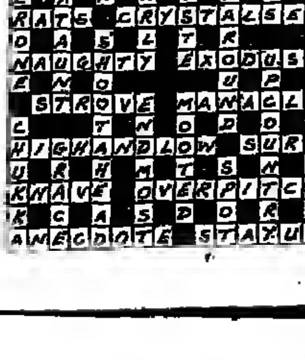
ACROSS

1 Control a force of constables joining ship (7)
5 We linger around at all events (7)
9 Article from slim guide-leader (5)
10 Grah miser making a source of scent (9)
11 Finished game and hecame exhausted (6, 3)
12 Turn right for an affront (5)
13 Body of soldiers turning in poor tactics (5)
15 Dear former birds I have to follow (9)
18 Clientele making proprietor get older (9)
19 Banish to former French island (5)
21 Elbow to prod (5)
23 Failure to notice superintendence (9)
25 Copper twice left after time like a hood (9)
26 I must appear in design—it's obvious (5)
27 Approve last hybrid rose (7)
28 Goods in this are on the way (7)

DOWN

1 Step quickly with palpitation (7)
2 Swerve vessel, it could he a fair sight (9)
3 Audibly keen to be a bore (5)
4 Flatter musical drama or emotional radio programme (4, 5)
5 Familiarity of mannerism and dress (5)
6 Telegraph receiver seen around boundary (4, 5)
7 Badly crave for seaweed (5)
8 Keep a restrained manner (7)
14 Driving mechanism befitting with internal measure (9)
16 Example to go in front of book (9)
17 Galatinous material is in tumbler (9)
18 Face pain and swagger (7)
20 Former metal weight no longer available (7)
22 Cnt into cubes and played with them? (5)
23 Hold forth nought with speed (5)
24 Religious person in the main is hrown (5)

Solution to puzzle No. 4,450



TV/Radio

BBC 1

† Indicates programme in black and white

9.05 am Football Association Coaching. 9.30 Multi-coloured Swap Shop. 12.12 pm Weather.
12.15 Grandstand: Football Focus (12.20); Racing from Chepstow; 1.00, 1.35, 2.10 and 2.40 World Cup Ski-ing (1.10) from Cortioa D'Ampezzo, Italy: Men's Downhill; Swimming (1.45, 2.20) from Coventry; International Boxing (2.50) from Merthyr Tydfil: Welterweight Champion Colin Jones v Clemeote Tshinza; Rugby League (3.15) John Player Trophy; International Show Jumping (4.05) from Olympia; 4.40 Final Score.
5.05 Rolf at Christmas.
5.40 News.
5.50 Sport/Regional News.
5.55 "Jungle Book," Alexander Korda's film of Rudyard Kipling's classic.
7.40 The Little and Large Show.
8.30 Dallas.
9.20 News and Sport.
9.35 "Freebie And The Bean."
11.25 Around With Rook: A look at Christmas by Jean Rook.
12.05 am Weather.

All regional programmes as BBC 1 except as follows: BBC Cymru/Wales — 8.15-8.40 am Football Association Coaching. 8.40 Crackerjack. 9.20 Spine Chillers. 5.50 pm Sports News Wales. 12.05 am News and Weather for Wales.

SCOTLAND — 4.55-5.05 pm Scoreboard. 5.50 Scoreboard (2). 12.05 am News and Weather for Scotland.

NORTHERN IRELAND — 4.55-5.05 pm Scoreboard. 5.20 Northern Ireland News. 12.05 am News and Weather for Northern Ireland.

ENGLAND — 5.50-5.55 pm (South-West only) Saturday Spotlight.

BBC 2

†2.15 pm Christmas Matinee: "The Cat and the Fiddle."
3.40 Play Away.
†4.05 Christmas Matinee (2) "The Firefly."
6.10 Did You Sae . . . ? Presented by Ludovic Kennedy.
6.45 Bullseye.
7.25 News and Sport.
7.40 Arts UK—OK? Report on the state of the arts in Britain.
8.35 Rugby Special.
9.20 International Show Jumping.
10.40 News on 2.
10.45 The Old Grey Whistle Test.
†11.25 "Gaslight." Film starring Ingrid Bergman and Charles Boyer.

BBC 2 NORTHERN IRELAND ONLY—1.50-2.15 pm Tomorrow's World.

LONDON

8.55 am Marvel Superheroes.
10.30 Tiswas.
12.00 pm World of Sport. 12.05 International Sports Special (Part one): Ice Skating. 12.50 On the Ball. 1.15 News from ITN. 1.20 The ITV Seven from Doncaster and Towcester. 1.20; 1.45; 2.0; 2.15; 2.30; 2.45; 3.00. 3.10 International Sports Special (Part two) Ice Skating. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service.
5.05 News.
5.15 Walt Disney Classic.
5.30 Worzel Gummidge.
6.00 Cannon and Ball for Christmas.
6.45 Search for a Star Final.
7.45 "Carry on Behind" (1975) starring Elke Sommer and Kenneth Williams.
9.25 The Professionals.
10.25 News from ITN.
10.40 The Big Match.
11.40 The Stanley Baxter Season.
12.40 am Personal choice with Anita Harris.

All IBA regions as London except at the following times:

ANGLIA
5.30 pm Worzel Gummidge. 12.40 am a Carol for Christmastide.

ATV
9.10 am Simply Sewing. 9.35 Learn To Sing. 10.00 The Adventures of Black Beauty. 10.40 pm Star Soccer.

BORDER
9.10 am Simply Sewing. 9.35 Learn To Sing. 10.00 Mumbly. 5.05 pm News and Border Weather. 10.25 News and Border Weather. 10.40 Scotsport.

CHANNEL
5.05 pm News followed by Channel Islands Weather Summary. 5.14 Puffin's Pla(i)ce. 10.25 News and Sport followed by Channel Islands Weather. 11.40 Police Surgeon.

GRAMPIAN
9.30 am Spidermon. 10.00 The Adventures of Black Beauty. 10.45 pm Scotsport. 12.40 am Reflections. 12.45 Seachd Laithean: Review in Gaelic of the week's news in Scotland.

GRANADA
9.15 am Doctor! 9.40 Tarzan. 12.40 Twist in the Tale.

HTV
9.10 am Learn To Sing. 9.35 Doctor! 10.00 The Undersea Adventures of Captain Nemo. 10.05 Batman. 5.13 pm HTV News.

HTV Cymru/Wales—As HTV West except: 5.30-6.00 pm Rae Sgwar.

SCOTTISH
9.10 am Simply Sewing. 9.35 Fantasy Island. 10.45 pm Scotsport. 11.45 Late Call. 11.50 Beretta: Dear Tony.

SOUTHERN
9.00 am Sesame Street. 10.00 The Adventures of Black Beauty. 10.27 Regional Weather Forecast. 11.40 pm Southern News. 12.45 am Weather followed by Drawing to an End.

TYNE TEES
9.00 am Saturday Shoke Up. 9.02 Roman Holiday. 9.30 Saturday Morning Movie: "Journey to the Centre of the Earth." 11.10 Saturday Shake Up. 10.40 pm Shoot. 12.40 am Countryside Christian.

ULSTER
9.15 am Doctor. 9.40 Laurel and Hardy. 10.00 Positive Soccer with Jack Charlton. 10.25 The Bubbles. 10.30 Call It Macaroni. 11.00 Tarzan. 5.13 pm Ulster News. 10.39 Ulster weather. 11.40 W.K.R.P. in Cincinnati. 12.10 am Bedtime/Religion.

YORKSHIRE
9.00 am Simply Sewing. 9.25 Spiderman. 9.40 240-Robert. 10.40 pm The Big Game.

RADIO 1

(s) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm Adrian Juste (s). 2.00 A King in New York (s). 2.05 Paul Gambaccini (s) including 3.00 U.S. Top 30. 4.00 Rock on Saturday (s) including 8.31 In Concert featuring After the Fire.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (s) including 8.03 Racing Bulletin. 8.06 David Jacobs (s) with Star Sounds. 10.02 Pete Murray's Saturday Show (s). 1.02 pm It's a Funny Business. 1.30 Sport on 2. League Football (1.30, 2.15, 2.45, 3.45, 3.55, 4.42, 5.00, 5.45). Rugby Union (1.30, 2.00, 2.30, 3.15, 4.50, 5.25). Chepstow Racing (1.30, 2.05, 2.35, 4.50, 5.45). 5.00 Sports Report. 5.00 Classified Football Results. 5.25 Rugby round-up/Show jumping. 5.45 Classified Racing/Football results. 8.03 Pop Over Europe. 7.02 Beat the Record. 7.30 Big Band Special (s). 8.02 Saturday Night is Gala Night (s). A tribute to Noel Coward (Part 1). 9.02 Geoff Love (s) from the Hippodrome, Golders Green. 10.02 Nordring Rendezvous (s) from Norway. 11.02 Sports Desk. 11.10 Bob Kilbey (s) with The Late Show, including 12.00 AM Midnight Newsroom. 2.02-5.00 You And The Night And The Music (s).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (s) Concert: Offenbach, trad. arr. Britten, Grainger, Santock. 9.00 News. 9.05 Record Review (s). 10.15 Stereo Release (s) New records: Vivaldi, anon., Moreno Torroba. 11.15 Bandstand (s) Concert: Mathias, Gilbert Vinter, Arnold. 11.45 I Know What I Like (s) Sheila Hancock with records. 1.00 pm News. 1.05 Early Music Forum (s). 2.00 Play It Again (s) Selection of the past week's music broadcasts. 5.00 Jazz Record Requests. 5.45 Critics' Forum. 6.35 Artur Balsam (S) Chopin-piano recital. 7.30 Concert from Leeds (s) (Part 1): Elgar, Mendelssohn. 8.15 Interact. Short story by Sean Virgo. 8.35 Concert (s) (Part 2): Dvorak. 9.25 John Shirley-Quirk (s) Song Recital (Part 1): Purcell realised Britten, Schumann. 10.00 Round Tower Tales by Colin McLaren. 10.05 John Shirley-Quirk (s) (Part 2): Butterworth, Ibert, Ravel. 11.00 News. 11.05-11.15 Bach (s).

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (s). 10.45 Pick of the Week (s). 11.35 From Our Own Correspondent. 12.00 pm News. 12.02 Money Box. 12.27 The News Quiz (s). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Middlemarch (s) by George Eliot. 3.25 Calcutta For Christmas: Ray Gosling recalls December 1979 in India. 3.40 Just What I Always Wanted or Christmas Presents and how to survive them. 4.10 Songs from Soweto (s): The Soweto Teachers' Choir from Johannesburg sings. 5.00 Time to Stand and Stare: A look at the tramp poet, W. H. Davies. 5.25 Week Ending (s). 5.50 Shipping Forecast. 5.55 Weather. 6.00 News. 6.15 Desert Island Discs. 6.55 A Victorian Christmas by Anthony Miall. 7.35 Friends Through "Blessings": Mary Craig, mother of two handicapped children, discusses how the people she has met have deepened her own understanding of suffering and its purpose. 8.30 Saturday-Night Theatre (s): "Fifteen Strings of Cash," by James Forsyth. 10.00 News. 10.15 Shock waves: report on the Italian earthquake. 11.00 Lighten Our Darkness. 11.15 A Small Country Living. 11.45 The Armchair Traveller: Folk music of the world. 12.00 am News; Weather report. 12.15 Shipping Forecast.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News; Weather; Traffic; Sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00 The Services Folk Competition. 4.00-5.00 am Join Radio 2.

London Broadcasting

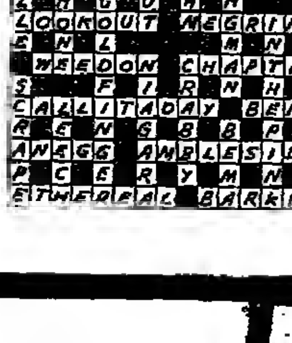
7.00 am Hugh Williams. 10.00 Jellybone—Tommy Boyd. 12.00 pm LBC Reports—Steve Wood. 1.00 Sportswatch—Dominic Allen. 6.00 LBC Reports—Steve Wood. 7.00 Geet Mala. 8.00 Network. 9.00 The London Interview. 10.00 Jenny Lacey—Nightline. 1.00 am Night Extra—Greg Strange. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

SOLUTION AND WINNERS OF PUZZLE No. 4,445

Mr. J. Frisken, 6 Rosebery Road, Felixstowe, Suffolk IP11 7JR.

Mr. R. M. Harris, Lone Barn Cottage, Corhampton Down, Hants.

Ms. S. Healy, L/21 Abbey Orchard Street, London SW1P 2JQ.



TV RATINGS w/e Dec. 14

UK TOP TWENTY (viewers m)

1	Coronation St. (Mon.)	(Gran.)	18.90
2	Coronation St. (Wed.)	(Gran.)	18.10
3	This is Your Life ...	(Thames)	17.40
4	Give Us A Clue ...	(Thames)	17.00
5	Larry Grayson's Generation Game	(BBC)	15.95
6	The Two Ronnies	(BBC)	15.85
7	Juliet Bravo	(BBC)	15.65
8	Play Your Cards Right	(LWT)	15.05
8	The Professionals	(LWT)	14.95
10	Sink Or Swim	(BBC)	14.90
11	In Loving Memory ...	(Yorks)	14.85
11	Crossroads (Wed.) ...	(ATV)	14.85
11	Frankie Howerd Reveals All	(Yorks)	14.85
11	Blankety Blank	(BBC)	14.85
15	At The Earth's Core ...	(BBC)	14.10
15	Three Days Of The Condor	(BBC)	14.05
17	Starsky And Hutch	(BBC)	14.00
18	Mastermind	(BBC)	13.65
19	Crossroads (Tue.) ...	(ATV)	13.15
20	Sports Review Of 1980	(BBC)	12.95

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR)

CHESS SOLUTIONS

Solution to Position No. 350

(b) should win after R-B8; 2 Q-B6, R-Q3; or 2 R-R2, K-B1. If (a) Q-N8 ch; 2 K-N2 when White threatens PxR, R-Q8 ch and R-R2, (c) loses to 2 R-Q8 ch, (d) loses hecause after 2 R-R2, K-B1; 3 R-R8 ch, K-K2; 4 RxR the hishop is pinned. The game went (e) Q-B2; 2 Q-B6! with the winning double threat PxR and R-Q8 ch.

Solution to Problem No. 350

1 B-B5, KxB; 2 N-K5, K-B5; 3 N-B3, K-B4; 4 N-R4 ch, K-B5; 5 P-N3 mate.

LEISURE

The business of toys

BY JANET MARSH

THIS CHRISTMAS, while the little ones are deep into their new calculators, computers, electronic games of skill and talk of microchips, more and more people of advancing years will be oohing and aahing over rather battered toy trains, lead soldiers, wax dolls and other childish things.

No more than a decade ago the collecting of children's toys was confined mostly to a scholarly and/or eccentric few. Now the market in antique (and not so antique) toys is booming—not surprisingly, since toys have a very special position in the great swell of nostalgia behind the contemporary collecting urge. Toys are not just a link with past eras of (however illusory) security and ease; they also recapture something of our own youth.

It is not surprising then that toy collecting is marked by very clear divisions. Susan Mayor, who runs the costume, textile, dolls and toys department at Christie's South Kensington, says that doll collectors are almost without exception women, while elsewhere men predominate. For both sexes, however, toy collecting is a deeply serious affair. The atmosphere at a London auction of antique toys makes a sale of netsuke or antiquities seem, in comparison, positively roistering.

Sotheby's Belgravia, Christie's South Kensington and Phillips, in their new collectors' department in Blenheim Street, all hold regular sales of toys. Christie's have a distinct edge over the others in dolls; Phillips still lead in metal soldiers; Sotheby's are good all round. For paper toys—table games, dissected puzzles, peepshows, panoramas, playing cards and the like—the specialists are still Sotheby's Chancery Lane Department, where they held a major three-day sale last week. The auction included what must be one of the earliest "educational" toys, a pack of playing cards from around 1680, each of which bore some such moral sentiment as,

Knavery it cannot be
For Youthe to Learne Theire ABC.

Petec Stockham, whose "Images" shop in Cecil Court, WI, is a treasure-house of juvenile printed material, old and new, says that the collecting world is very strictly divided into the metal people and the wood-and-paper people. He is distinctly a wood-and-paper man. His stock of new books is a remarkably comprehensive collection of the finest children's publishing from all over the world, from tiny paperbacks to luxury editions. He also has a stock of choice antiquarian children's literature, including table games and miniature books. Just across Cecil Court, David Drummond's stock of ephemera always includes interesting children's items.

Metal collectors are rather severe about what are toys and what are models. The soldiers, trains and cars that command the high prices are distinctly models. This reflects a peculiarly English aproach to things in miniature. A new book, *Early Tin Plate Model Railways* by *Udo Becher* (Argus Books, £12.50), traces toy trains back to the quaint steam-driven models made by the great Nuremberg toy factory of Ernst Planck in the 1880s.

Well into the present century the best model trains still came from Germany, and the firms of the Brothers Bing and Maerklin. Dr. Becher (evidently a typical toy collector: he is 75 and Professor Emeritus at the Freiberg Bergakademie) shows that while models for the home market were designed simply for toy-like gaiety, those for export to England had to be strictly to scale, and with the correct liveries of the railway companies. Bing was the principal maker for the famous British firm of Bassett-Lowke.

Dr. Becher illustrates German model railway treasures that would make any collector envious: a rail-disaster train that can, at will, be disintegrated into horrible wreckage; or a small pissoir, which, however necessary an accessory to a realistic station, cannot have been a popular Christmas gift in nice Edwardian English families.

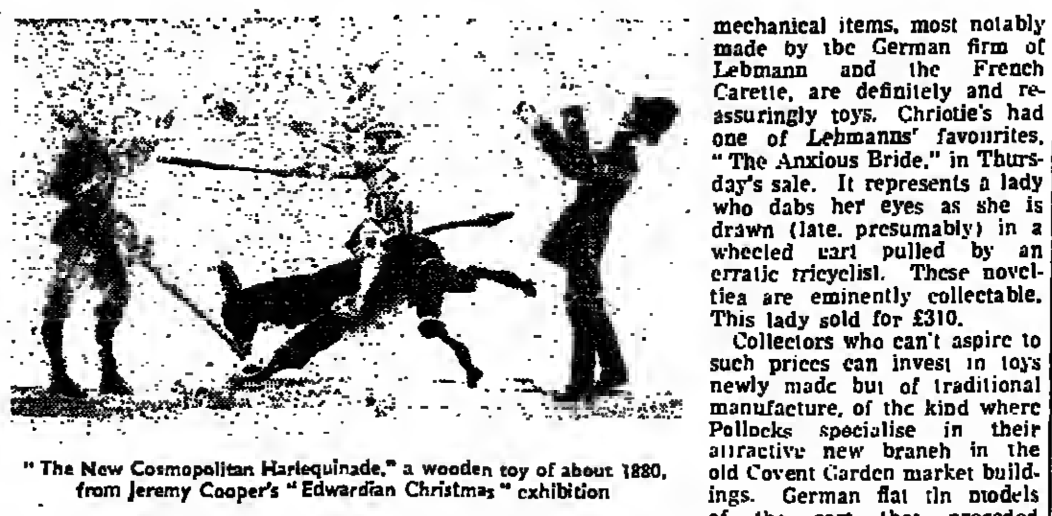
In Christie's toy sale last Thursday, a Bing clockwork train, the LNWR "King Edward VII No. 1902" realised £250. The sale also included many later English electric and clockwork railways by Hornby and Trix.

Phillips recently established a new record price for lead soldiers when a group representing a 666-man batallion of the London Scottish on active service in France, with all their arms and accoutrements, made £5,200. Most of the group was by the firm of William Britain which, again, represented the British taste for models, rather than *toys*, with their perfectly scaled and uniformed soldiery in well-boxed sets.

The more fey and frivolous mechanical items, most notably made by the German firm of Lehmann and the French Caretie, are definitely and reassuringly toys. Christie's had one of Lehmann's favourites, "The Anxious Bride," in Thursday's sale. It represents a lady who dabs her eyes as she is drawn (late, presumably) in a wheeled cart pulled by an erratic tricyclist. These novelties are eminently collectable. This lady sold for £310.

Collectors who can't aspire to such prices can invest in toys newly made but of traditional manufacture, of the kind where Pollocks specialise in their attractive new branch in the old Covent Garden market buildings. German flat tin models of the sort that preceded Britains' hollow-moulded lead soldiers are still being made and wonderfully painted by hand in the old irridescent colourings.

The manufacture of tin-plate toys still goes on, for the moment at *least*, in *Hungary* and China (where they make London buses)—though these are strictly x-rated for collectors only at Pollocks, since they don't comply to British safety standards for children's toys. Or you can buy the beautiful model boats still being made in England by Sutcliffes, and remarkably inexpensive given the quality of their metal construction. These are very much collectibles of the future: production is unlikely to continue after the present Mr. Sutcliffe retires.



"The New Cosmopolitan Harlequinade," a wooden toy of about 1880, from Jeremy Cooper's "Edwardian Christmas" exhibition

From the left: Adam Thomson, Chairman of British Caledonian, Sir Ronald Gardner-Thorpe, Lord Mayor of London, Lucia van der Post, Silvino and Trompetto and the Savoy's Maitre Chef, Jaques Eza

The good pud guide

BY FIONA McEWAN

IT'S A FAR cry from the days when a Christmas pudding amounted to a smattering of breadcrumbs and a few dried prunes moistened in ale. Times are more sophisticated, ingredients vary and the only thing that is uniform among the puds on sale is the shape. Which is why each year the Financial Times samples a cross-section of the new season's crop at its now traditional Christmas Pudding Tasting.

Shelves are scoured along the high street from the Co-op to British Home Stores, on to the specialist stores like Fortnum and Mason, Harrods and even to mail order operations like Elisabeth the Chef and Rills & Cox, in the hunt for the all-English pudding.

Altogether 14 samples were purchased and presented, strictly anonymously, for assessment on texture, taste and aroma to the panel of judges—the Lord Mayor of London, Sir Ronald Gardner-Thorpe, Adam Thomson, chairman of British Caledonian and women's editor of the Financial Times, Lucia van der Post. Also on hand to comment were Silvino Trompetto, Director of Food Services and Monsieur Eza Maitre Chef des Cuisines, of the Savoy Hotel in London where the event is held.

Although it was generally agreed that the perfect pud was fruity, not too dark, and looked crumbly, we were not looking for a prize pud since palates are personal, but rather a general assessment of the vintage.

Last year had been a disappointing year, so hopes were high of a recovery ahead. It was not to be. Though there were some worthy exceptions the overall verdict was a sorry one. "Terrible, isn't it?" said one judge as he battled to extract a fork.

But then taste is an elusive thing: Lucia van der Post agreed with Adam Thomson in her summing up, on the whole a poor lot, while the Lord Mayor reckoned there were some fairly good flavours around.

There was strong support for Sainsbury's (£1.95 foc 2 lb) with an enthusiastic "good fruity flavour, not too compacted," from Miss van der Post, backed up by Mr. Thomson.

Honours went again to Elisabeth the Chef (£4.20 for 2 lb, by mail from St. Mary's Road, Leamington Spa). "Fruity and crumbly" remarked Miss van der Post. "Excellent texture, super aroma and a pudding taste" enthused the Lord Mayor who was equally keen on British Home Stores (£2.10 for 2 lb) saying it was "easy to eat."

Geo. Ort.-Master Baker (£2.60 for 2 lb) also fared well.

A newcomer to the tasting, Coombes (£2.85 for 2 lb) was voted "delicious" by Lucia van der Post. "light, nutty and fruity plus a good aroma." Dry and nutty echoed the Lord Mayor. Adam Thomson felt it not to his taste.

Fortnum's pudding attracted higher praise than in previous years. The costliest at £4.65 for 2 lb its nutty flavour was approved by all the judges.

With some 12m pudding sales predicted—that's 6,000 tons—its a fair bet that the ubiquitous Mrs. Peake will be widely eaten. This drew favourable comment from the Lord Mayor—"pudding flavoured and looked good."

After the tasting the Lord Mayor presented one of the Savoy's own puddings to St. Batholomew's Hospital.

Right for the house

GARDENING

ARTHUR HELLYER

A LOT OF US will be buying pot plants for our own Christmas decorations or as presents for our friends and relations. The shops are full, the choice bewildering as well as beguiling but before choosing the most beautiful, the most spectacular or what appears to be the best bargain it is worth thinking *about* the ultimate fate of the plant. For example, if you decide to buy a pot of chrysanthemums it is fairly certain to finish up on the compost heap or in the dustbin before January is out whereas a highly coloured dracaena or a variegated pioeapple plant may well still be going strong five years hence.

Some plants give promise of continuity which is seldom realised in practice. Poinsettias are capable of living for years, and so they may do, but it is unlikely that they will ever repeat the glory of their first Christmas. This is because to *get those delightfully* compact plants, each stem surmounted by a fine cluster of red, pink or white bracts they have been given very special treatment including Cycosel spraying to keep them short jointed and, from late September for six or eight weeks short day treatment" by means of blackouts to ensure at least 14 hours' continuous darkness each night. The latter is essential for the formation of flower buds without which no coloured bracts can develop.

By contrast hippeastrums are easy to grow year after year but it is unlikely that they will flower again at Christmas, their natural season in our latitude is spring or early summer though in tropical South America, where they grow wild, they flowec intermittently throughout the year, tending to produce a flower with every fourth new leaf.

Even in Britain is forced upon them by convention and convenience since it is easiest for commercial bulb growers to market the bulbs dry and this they can only do by depriving them of water towards the end of the summer so making them shed all their leaves. Though all the books advise that this should also be done in greenhouses and rooms, there is really no great advantage gained. Personally I keep the soil moist all winter and usually have some leaves throughout that season. What prevents the plants flowering is not lack of water, nor even lack of warmth, but the changing day length which is so often the critical factor in deciding when a plant will flower.

Azaleas are easy and permanent provided they are not expected to live indoors all the year but are stood outdoors at least for the summer, preferably in a rather shady place where they can be cool and moist and will not run the risk of losing all their leaves because the air and the soil are too dry. The early flowering varieties that are being sold now are not suitable for planting permanently out of doors but some of the later Indian azaleas will grow outdoors in mild places especially near the sea or in sheltered town gardens.

Cyclamens are always a good buy because their leaves are so decorative that the plants are usually kept long after their flowers have faded. They will eveotually die down in summer, and from late May until October are better out of doors like the azaleas though without anything like such a thirst for water. They can be almost dry from June to August until they show signs of growing again when they should be repotted and normal watering should be resumed. With any luck they will flower again the second winter just as well as the first and may continue to do so for years but the tubers keep getting bigger and bigger until eventually they become inconveniently *clumsy*.

Winter flowering primulas are definitely throw away plants, either genuine annuals or best treated as such, but Primula obconica will often go on flowering for months and for that reason can be very good value for money.

Unfortunately it is the worst of all the primulas for causing dermatitis among people who are allergic in these plants so they are not very safe as presents unless one knows that the recipients can handle primulas with impunity.

One of the most attractive plants on display at the moment is *Aechmea rhodocyanea* which I see some enterprising salesman has rechristened the Greek Vase Plant.

Aechmaea rhodocyanea is particularly handsome at the moment as it is now producing its extraordinary densely plumed, shocking pink and turquoise-blue flower heads carried on stout stems well above the grey-banded leaves. It is a good present because it hardly ever needs repotting and, provided the recipient understands that the central "vase" formed by the leaves must be kept constantly filled with water, it will continue in full beauty for months. Eventually the flower will fade and then the rosette from which it grew will also die, but by that time there should be offshoots growing around it and these can be retained and will in due course (though may be not for several years) themselves produce flowers.

Double dummies

BY E. P. C. COTTER

Double dummy problems do not generally appeal to me, but I must admit that in With Open Cards (Bibliagora £5.95) Eric Jannersten has given us *some* interesting hands, not mere six- or seven-card endings, which respond to the ordinary techniques of declarer play, and are, therefore, of practical value.

Let us look first at this:

	N.	
	♠ K 2	
	♡ A Q 4	
	◇ 7 6 5 4	
	♣ A K Q J	
W.		E.
♠ Q J 10 9		♠ 8 7 4 3
♡ K J 10 9 8		♡ 5 3 2
◇ J 10 9 8		◇ Q 2
♣ —		♣ 10 4 3 2
	S.	
	♠ A 6 5	
	♡ 7 6	
	◇ A K 3	
	♣ 9 8 7 6 5	

The contract is six no trumps by South, and West leads the Queen of spades.

South wins trick one with the Ace, and cashes four clubs. West can throw two hearts and a spade without embarrassment, but when the fourth club is led, he has to decide which major suit to unguard—he cannot, of course, throw a diamond. Let us suppose that he keeps his hearts, and leaves his partner to look after spades.

The declarer now rectifies the count, that is, he corrects the timing for the squeeze, by ducking a diamond. He wins the diamond return, crosses to dummy's King of spades, and returns to hand with a diamond. When he plays the nine of clubs, West has to throw a heart, dummy discards the diamond seven which is no longer required, and now East feels the pressure. He cannot let go his eight of spades, so he, too, parts with a heart, allowing South to finesse the Queen, and score the Ace and the four.

If West abandons hearts and keeps spades, declarer crosses to hand with a diamond to his Ace, and plays the fifth club. West throws a spade, dummy sheds a diamond, and East is thrown in with the diamond Queen. Then, after the spade King is cashed, South returns to his diamond King, and East is again squeezed. If East has jettisoned his diamond Queen, South cashes the spade King, ducks a diamond to West, and once again East feels the turn of the screw.

This is an intriguing deal:

	N.	
	♠ K Q J 2	
	♡ A K	
	◇ 4 3 2	
	♣ K Q 7 6	
W.		E.
♠ 4 3		♠ 10 9 8 7 6 5
♡ 6 4 3 2		♡ 9 8 7
◇ Q J 5		◇ 10
♣ J 10 9 8		♣ A 5 4
	S.	
	♠ A	
	♡ Q J 10 5	
	◇ A K 9 8 7 6	
	♣ 3 2	

The contract is four hearts by South, and West's opening lead is the club Knave.

The Knave of clubs is covered by the Queen and Ace, and East at once returns a club in order to remove one of dummy's entries. The declarer cashes the Ace of spades and leads the ten of hearts to dummy's King. He then plays the King and Queen of spades, discarding diamonds from his hand. West must ruff the second spade honour, and his best return is the diamond Queen. South takes with his Ace, and leads his Knave of hearts to the Ace on the table, ruffs a club with his heart Queen, and throws East in with the five of hearts.

In the three-card ending dummy has the Knave of spades, a diamond, and the seven of clubs. West has Knave, five of diamonds and the club ten, and declarer has King, nine, eight of diamonds. East with only spades in his hand, has to give access to dummy via the Knave of spades, and this card operates the squeeze on West. He must either set up dummy's club or allow the declarer to make both of his remaining diamonds.

Malta champions

BY LEONARD BARDEN

ENGLAND'S young team narrowly missed the medals last week at the world championship in Malta, where the Russians regained the title after a desperately close struggle with Hungary, winners in 1978.

Final totals were: USSR and Hungary 39 out of 56 game points (Russia won on tie break); Yugoslavia 35; USA 34; Czechoslovakia 33; England and Poland 32½ (England sixth on match points); Canada and Israel 32; Cuba, Holland, Romania and Sweden 31½; Argentina, Denmark, France, Philippines and Wales 31. The Russians won the women's gold medals after an equally tight finish against Hungary, with England tying for 13th. There were record entries of 82 teams for the men's event and 42 for the women's.

England were among the leaders throughout, and their only match defeats in the 14 rounds were against the top four countries, all by margins of 1½-2½. The result is a disappointment by the standards of our bronze medals at the European championship early this year, but is our best ever in a world championship with the Russians competing. East European state subsidies for chess as a sport have a practical effect at the Olympics where both Russians and Hungarians brought grandmasters to help in opening preparation and adjournment analysis.

Both Karpov for the USSR and Portisch for Hungary had very good results on top board, while in contrast Tony Miles, stale after too many tournaments, totalled only 50 per cent.

The prize for the best No. 1 board score went to Bill Hook of the British Virgin Islands. Remarkably, it was the second time in three olympiads he had taken the gold medal from the top grandmasters. The explanation?

Under the seeded pairing system the BVI team meets other inexperienced opponents throughout the Olympics. The only exception is in round one where they are paired against a country in the top half of the draw—and in that round Hook defeated grandmaster Westerinen of Finland.

John Nunn's unbeaten 7½ out of 11 on board three and Jonathan Mestel's 5½/8 on bottom board were the best English results; last week's game was a cool defensive performance by Nunn.

White: Y. Grynfeld (Israel). Black: J. D. M. Nunn (England). Pirc Defence (Malta, 1980).

1 P-K4, P-Q3; 2 P-Q4, N-KB3; 3 N-QB3, P-KN3; 4 P-B4, B-N2; 5 N-B3, 0-0; 6 B-Q3, N-R3; 7 0-0.

White's defeat can hardly be excused by ignorance of his opponent's intentions. The entire play down to move twelve is recommended for Black in Nunn's recent book *The Pirc for the Tournament Player*, where it is clearly implied that 7 P-K5 is more promising.

7 . . . P-B4; 8 P-Q5, R-N1; 9 Q-K1, N-QN5! (as Nunn writes: "It is hard to believe that White's attack can really suceed without the white-squared bishop"); 10 P-QR3, NxB; 11 PxN, P-QN4; 12 Q-R4, B-QR3; 13 P-K5 (at last diverging from Nunn's book which analyses 13 P-QN4 as better) PxP; 14 PxP, NxP; 15 N-N5, P-R3; 16 QN-K4, Q-N3.

Black would soon get mated after 16 . . . PxN; 17 NxNP. Instead he follows the classical formula for meeting a flank attack: counter in the centre.

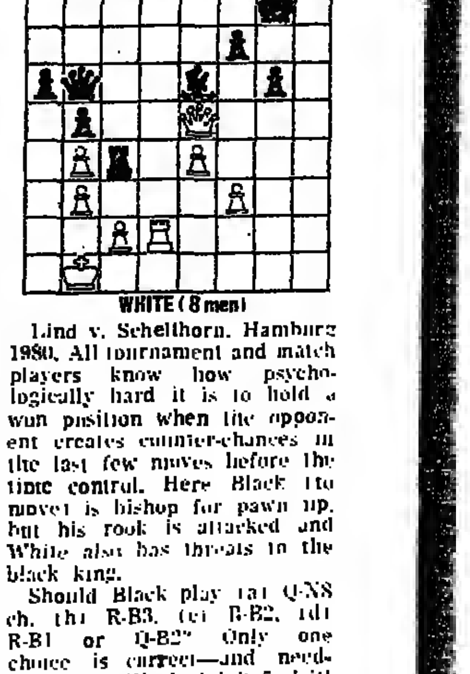
17 R-B3, P-B4; 18 PxP e.p., PxN; 19 BxP, P-B5 ch; 20 K-R1, NxP; 21 R-R3, N-R4; 22 P-KN4, B-B1!

Simultaneously simplifying and taking the initiative.

23 PxN, BxR; 24 QxB, PxQP; 25 R-KN1, Q-QB3; 26 Q-R4, PxP; 27 BxP, R-B2; 28 B-N4, R-K1; 29 Resigns. For White loses more material after 29 R-K1, P-Q7; 30 BxP, R(2)-K2.

POSITION No. 350

BLACK (8 men)



WHITE (8 men)

Lind v. Schellhorn, Hamburg 1980. All tournament and match players know how psychologically hard it is to hold a won position when the opponent creates counter-chances in the last few moves before the time control. Here Black (to move) is bishop for pawn up, but his rook is attacked and White also has threats to the black king.

Should Black play (a) Q-N8 ch, (b) R-B3, (c) R-B2, (d) R-B1 or Q-B2? Only one choice is correct—and needless to say Black didn't find it!

PROBLEM No. 350

BLACK (2 men)

WHITE (5 men)

White mates in five moves, against any defence (by V. Kambishkin, "64" 1980). A five-mover sounds difficult, but here there is just a single line of play.

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FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday December 20 1980

Good cheer after all

THE CHRISTMAS spirit may have something to do with it hut, whatever the reason, a distinct whiff of optimism has meen scented in the markets at the end of what atarted as a normally gloomy week. Some things are admittedly had, but could easily have been worse—the OPEC price rise, the depression, now alightly reversed, in the U.S. hond market, the latest rise in the prime rate. Some things are visibly going rather well. Mrs. Thatcher's determination has got the local authority unions to recommend a 7½ per cent pay offer, and the IRA prisoners to eat. Inflation on the six-month measurement is still coming steadily down, export volume is still high, and hank lending is reportedly weak.

More relaxed

This mood has been especially noticeable in the gilts market, where investors have now paid their depoaits on another £1bn of Government stock, following a pre-Christmas hargain offer from the Government broker. If the buoyancy is maintainad, it has a very significant message: the City, with one or two exceptions, has got over its monetarist nightmares. After Mr. John Biffen admitted that the Government has been compelled to take a rather more relaxed attitude to the growth of the Sterling M3 atatistic, if only hecause it is unable to control it in the sbort run, various prestigious people have joined in a chorus, whose tune is that this target was probably a mistake in the first place.

The International Monetary Fund got in first, if the second-band reports are reliable, and expressed the view that whatever M3 might show, the UK sqneeze was a hasically good idea which was being overdone, with rather disruptive results for our trading partners. Then the Bank of England, which bas to operate the squeeze, produced an analysis showing that in the short run at any rate, a tight squeeze under UK conditions would drive the money supply up, not down. Finally the Treasury Committee of the House of Commons made the not very original point that the Government has missed its own stated targets by a mile or two, and concluded yet again that perhaps M3 was not the most reliable indicator.

Investment

Ironically enough, this disillusion bas spread just at the moment when the money supply can be expected to behave better, nnder tha impact of lower credit growth and higher funding; and also during the week when the salary of Mrs. Thatcher's new personal economic adviser, a bedrock monetarist, has provoked a lively public debate. It is clear that we have certainly not heard the last of the subject; but the City's instinct that the very worst is now behind us looks sound.

Indeed, the worst ought to he hehind us, for the news from the real aconomy, except on the wage front, is a matter for get-well cards rather than seasonal good cheer. The output figurea are no longer falling so fast, hut they are dreadful; and now the Government has admitted what CBI aurveya have long suggested: investment will fall even faster next year.

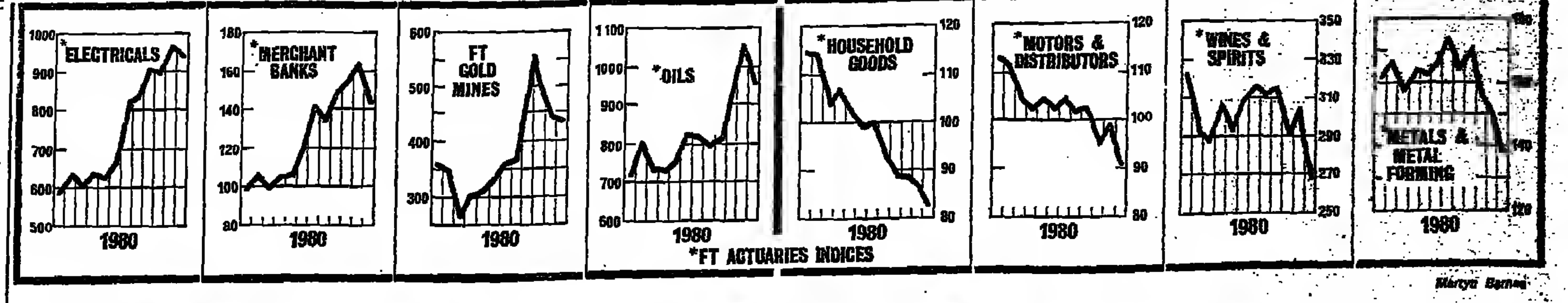
The good news for the UK, when it is all added up, really amounts to this: the prodnctive economy has learned some basic economics. Unless a government is prepared to allow whatever rate of currency depreciation is needed to make real wages and export prices competitive, inflationary hebaviour by one group is self-destructive. Manufacturers, as the CBI surveys show, are now trying to plan for price stability; from their point of view, interest charges are now hideously expensive in real terms, so reduced horrowing ia a top priority. Tha uniona may or may not believe in falling inflation, hut they are vividly aware of the riak to johs.

Discipline

However, the figures from the real economy show that this has been the most expensive lesson one could well imagine; and further, it is only now, with draconian cuts in housing, a tight cash limit, and talk of tax increases, that the Government has ahown that it too must suhmit to monetary discipline.

Our own experience has not gone unnoticed abroad, and particularly in the U.S., where the election of a President with very similar slogans has raised fears of what is now called "Thatcherisation." Most of Wall Street seems to bave joined the chairman of the Fed, Mr. Paul Volcker, in warnings that unless fiscal policy is tightened in good time, any attempt to squeeze inflation out of the system could prove as painful there as it was here. The better tone of the bond market is partly on account of a growing belief that this message bas been received and understood by the businessmen Mr. Reagan has appointed to his Cabinet.

For the UK, the great questions for 1981 appear at the moment to be bow mucb more damage will be revealed before the real economy turns round, as even the pessimists now expect during ibe year; and whether our education will then prove durahle. We may now bope to get our hreath back, but the game is still to be won.



How shares fared this year

Ian Rodger reports on the key rises and falls in the UK stock market

IT HAS been an exciting year in the stock market.

Apparently oblivious to the deepening recession, the FT-Actuaries All-Share Index hit a new all-time high of 313.07 in November and has risen by more tban a quarter in the year to date, compared with only a 4 per cent advance in 1979.

Once again, financial shares and, especially, Oils, have led the market but industrial sbares, too, have made aome headway. The FT Industrial Ordinary Shares Index of 30 blue chips has gained nearly 13 per cent in the year to date, compared with a 12 per cent drop last year, and the more broadly based FT-Actuaries index of 488 industrials (excluding Oils) is up by a fifth.

Still, this year's tables of leaders and laggards are, like last year's, remarkable most for ahowing the declines of the ahares of some of the great names in Britain's industrial base, including two components of the FT-30 index, Turner and Newall, and Guest, Keen and Nettlefolds.

The sharp drop in the share prices of the industrial giants reflects the substantial deterioration not just of their current profits hut also of the asset base on which they earn their profits.

Severe profit decline

Of this year's four heaviest losers, Chloride and Carrington Viyella, are in loss while GKN and Johnson and Firth Brown have reported severe profit declines. All four have felt obliged to dispose of some assets and apparently do not expect an early recovery of previous profit levels. Tbree bave taken the hard decision to pass dividends, while GKN cut its interim by nearly a third.

The squeeze on hig industrial companies bas also had a significant effect on unemployment. The four companies above employed more than 125,000 people in the UK a year ago, hut they have since announced thousands of redundancies.

It would be heartening if the year's stock market winners could take up the slack. However, excluding cleaning contractor Pritchard Services, the shares of which have been catapulted into the winners' list by the unwanted attentions of competitor Provincial, three of this year's four top winers are speculative oil exploration and service companies and the other a money hroker. Together, they do not employ 1,000 people.

The recession has already heen long and difficult for most industrial companies. High interest rates have affected financing costs for more than a year and the high valne of sterling—which many industrialists first helieved to be a temporary phenomenon—has intensified import competition aod ahaved export margins. Surprisingly, export volumes have, nevertheless, reached record levels.

Although perhaps distorted somewhat by the steel strike in the first quarter, UK demand held up until the apring hut then fall away suddenly in April. Motor vehicle registrations dropped 19 per cent in the aecond quarter as consumer demand faded for most things except food, clothing and electronic gadgets. By tha third quarter manufacturing production was 11½ per cent below the 1979 average and at the lowest level for 13 years.

Pressure on profits reached unprecedented levels. In the first half, the real rate of return on trading assets of industrial companies (excluding North Sea operations) was the lowest ever recorded, only 4½ per cent compared with 4¾ per cent in the second half of last year, 5½ per cent in the depths of the mid-1970s recession and 8.7 per cent in 1970.

In the atock market, only the electricals among major industrial sectors have broken through the prevailing gloom, partly because of the long-awaited recovery by Plessey (tenth in the big winners' table this year) and another strong performance by GEC. Some of the glamour attaching to defence and electronic-related atocks internationally has also rubbed off on the sector. The 72 per cent gain in the FT-Actuaries electricals index is remarkable, given the dismal performance of ICL.

Investors have had plenty of other attractive places to put their money. The Governmeot missed its money supply and borrowing targets by wide margins this year and to finance itself has been obliged to pump out a river of gilt-edged stocks with high coupons. UK Government long bond yields have stayed above 13 per cent for most of the year.

It is estimated that gilts have soaked np about £5bn of the approximately £11bn casb inflow to investing institutions this year. Another £1½bn probably went into property and perhaps a net £2bn into UK equities, mainly to replace personal investors' funds.

Following the removal of exchange controls last year, fund managers have also quickly developed a taste for investing in overseas securities. Stockbrokers Phillips and Drew estimate that portfolio investment abroad could be as high as £1.5bn this year. Resource stocks, especially in the U.S., Australia and Canada, have attracted a lot of interest, notably because this group is not well represented in London.

The one resource sector that is widely available in London is oil, and investors are continuing to sbow great enthusiasm for it. World oil prices bave risen another 25 per cent this year but the FT-Actuaries Oils index gained nearly 37 per cent, following a 42 per cent gain last year. Only the gold mines and mining finance sectors have more impressive two-year track records.

The Oil Index is heavily weighted towards Shell and BP, but the hig gains this year, as last, have been made by the speculative exploration companies. Stockbrokers Wood Mackenzie argued in a recent circular that most quoted exploration companies are overvalued, even on the most optimistic assumptions about the value of their assets — hut then some analysts felt the same way a year ago.

The dazzling rise in the market capitalisation of some of these companies brings into relief some curious comparisons. Sovereign Oil and Gas (formerly Siebens), which expects its first significant cash flow late in 1983 from the Brae Field in the North Sea, bas a market value of about £150m, more than that of Chloride, Associated Engineering and Johnson and Firth Brown combined.

By the same measurement, London and Scottish Marine Oil (LASMO) is worth more than GKN, Tuhe Investments and Lucas combined.

Impressive as the oil gains are, tbe ahares of very small companies have once again produced the most spectacular rises. The clear winner, Polly Peck, and the distant second, Cornell Dresses, have both reacted to being taken over by Mr. Asil Nadir.

Mr. Nadir first came to prominence in 1973 when he introduced another women's clothing maker, Wearwell, to the market. Although Wearwell bas had a spotty record, Polly Peck shares rose from 7p in February to 83p in June when they were suspended pending the announcement of a £1.6m rights issue to finance a corrugated packaging plant in Famagusta, Cyprus.

The shares then surged ahead to a peak of 190p, before falling back to 148p this week. The sharea eased a further 3p yesterday following pnblication of interim pre-tax profit of £17,000 and earnings per share of 0.1p compared with a £29,000 loss.

Mr. Nadir took an option to huy control of Cornell in September and exercised it through Polly Peck last month. Cornell ahareholders must be hoping he will bring profits back to their company aa quickly aa he has to Polly Peck.

The next two in the small winners' table, Kean and Scott Barget, are in the furniture business and hoth bave been making losses for the last three years. A Hong Kong company, Tinnox, has built np a 75 per cent interest in Barget, while Mr. Michael Ashcroft's fast-growing Hawley Leisure has taken a 29 per cent stake in Kean and Scott, and bid unsuccessfully for the remainder in October.

Among tha large companies, Far Eastern trader Boustead has a reasonable track record but the company has been puzzled by recent strong buying interest in the sbares, apparently from Hong Kong. This week, Hendon Green a Hong Kong company, announced it holds slightly more than 5 per cent and Globe Investment Trust revealed it had sold part of its 5.1 per cent holding and that it no longer holds a 5 per cent declarable interest.

Recession and other factors

First National Finance Corporation, one of the secondary banks rescued in the Bank of England's 1974 lifeboat, bas made a strong recovery this year on hopes that the £38m shareholders' deficit could be eliminated by the end of next year. Merchant banker Robert Fleming disclosed in July that it had bought more tban 5 per cent of the ahares, which traded as low as 0.2p in 1977, for various clients.

While the general economic and financial aituation can be hlamed at least in part for the had performance of many shares in this year'a losers' tables, others appear there for less flattering reasons.

Associated Communications, for example, has built up a heavy debt burden mainly because of Lord Grade's costly film-making ventures and the difficult acquisition last year of Intereuropean Properties. Its interim dividend was slashed this weak.

Associated Biscuits has done significantly worse than others in its aector, following an ill-timed dash for growth. Competitor Avana Group, 18th in the hig winners' table this year, has assets valued at only an eighth of tbose of AB but enjoys a 30 per cent higher market capitalisation.

Sterling rise victims

Like other distillers, Highland Distilleries expects to suffer harder times, but the shares made the losers' list because a hid by Hiram Walker-Gooderham and Worts lapsed, following referral to the Monopolies Commission.

As in the large company category, tha heaviest losers in the small company table are the victims of recession and the high value of sterling.

Spong and Co., a kitchen ware manufacturer founded in 1856, has suffered losses in two of the last three years and seems well on the way to a further setback this year following an interim pre-tax loss of £350,000. At one time, exports accounted for 60 per cent of the company's sales but bave declined to less than a third. The group has laid off 158 of its 218 employees this year and sold its Spong houseware products division to Salter Housewares. Its current market capitalisation is £108,000.

The Brocks Group, which designs and manufactures marine navigation and communication equipment, has plunged into loss in the first half of this year. More than half of marine sales were made into export markets last year, but the group has had increasing difficulty both at home and abroad because of the recession worldwide in the yachting industry. The group bas forecast further trading losses and the market capitalisation has plunged this year from £10m to £2.9m.

Prominent among the smaller losers is last year's winner, Brown and Jackson, with a 55 per cent fall. Cope Sportswear, another high flyer of the 1970s, would undoubtedly also figure prominently in the losers' list if its shares had not been suspended on Wednesday at 15p, 61 per cent down on the year. On Thursday, the company was put into receivership.

LEADERS AND LAGGARDS: 1980

WINNERS: Capitalised at over £30m current values	% change on year	LOSERS: Capitalised at over £30m on December 31, 1979	% change on year
KCA International	329	Johnson and Firth Brown	−53
Sovereign Oil and Gas	307	Carrington Viyella	−50
Pritchard Services	251	Guest Keen and Nettlefolds	−43
Mercantile House Hdgs	244	Chloride Gp	−42
Premier Consolidated Oilfd	226	Highland Distilleries	−38
Boustead	186	Associated Biscuit	−37
Clyde Petroleum	176	Grattan Warehouses	−37
Westland Aircraft	170	Chubb and Son	−36
First National Finance	162	ICL	−35
Plessey	145	Turner and Newall	−34
Ultramar	143	Alcan Aluminium (UK)	−33
Wholesale Fittings	136	Assd. Communications 'A'	−32
Armitage Shanks	134	Assd. Engineering	−32
Sainsbury J.	131	Allied Colloids	−31
Hambro Life Assurance	130	Bridon	−31
Capitalised under £30m current values	**% change on year**	**Capitalised under £30m on December 31, 1979**	**% change on year**
Polly Peck Hdgs	2,708	Spong and Co.	−75
Cornell Dresses	484	Brocks Gp.	−73
Kean and Scott	419	Heywood Williams	−72
Barget	388	Arrow Chemicals	−71
Hampton Trust	347	Mersey Docks	−70
Somportex Hdgs	346	Edbro Hdgs.	−70
Aeronautical and Gen. Insts	256	Richards and Wallington	−70
Martin, R.P.	244	Wombwell Foundry	−68
Whitworth Electrical	227	Ouport	−68
English Association Gp	216	Muirhead	−67
Goldman, H.	208	Oxley Printing	−67
Ropner Hdgs	195	Howard and Wyndham 'A'	−67
Ropner Hdgs 'A'	191	Norton, W. E.	−67
Willoughby Consolidated	186	Williams and James	−64
First Castle Securities	180	Rotaprint	−63

Percentage changes calculated at close of business on December 17, 1980. Source: dataSTREAM.

Letters to the Editor

Inflation

From Mr. W. Richardson.

Sir,—I believe that the unrestricted indexing of pensions, unless the cost is provided for as aoon as the liability occurs, is economically unviable, hut that to deny any indexation at all to anyone, in any circumstances is indefensible.

A person's contributions to a pension scheme are based on calculations which, in normal times, would assume that, over the years, wages would rise, either hy annual or other periodic increases, or as the result of better productivity, and what each has to pay into the scheme is determined accordingly.

But no one can, in sdvance, calculate the cost of inflation. If there is a 25 per cent increase in a man's pay during the first year of his employment, he can justifiably claim that the remaining 40 or so years' contributions he makes will take this into account and that he will have paid his abare of the costs. Bnt, if be receives a similar increase in the last year of his service, be pays one year'a contributions only wbich take this into account. Therefore, it appears to me that wben a wage increase is the result of other than productivity, the pension scheme should calculate the additional cost of providing that part of the pension resulting from the inflationary increase and increase the contributions during the remainder of aervice accordingly.

Earlier inflationary increases in pay will not cost as much per week or month as later ones, for the cost of funding them will be spread over a longer period. When an individual discovers that the cost of funding a 25 per cent increase in bis pension which occurs in bis final year of service, he may think twice of accepting the increase in pay.

A man who has retired with a pension based on wages not increased by inflationary pressures would he entitled to expect that its purchasing power would be maintained. Otherwise, because he is paid with depreciating pounds, of whicb the pension fund would have an increasing number, he would be considarably worse off each year, while the fund would have increasing surpluses.

When a pension ia determined, the amount should consist of two parts: that which is not the result of inflation, and that which is. The former should be paid in full and indexed. The latter should be paid in full hut not indexed, unless additional payments to cover this bave haen made.

W. F. Richardson.
34, Queen's Drive,
Fulwood, Preaton, Lancs.

Pensions

From Mr. C. Garstang.

Sir,—Basically, a proper pension plan is set up in the name of the employer, which only has ona member: it can be contributory or non-contributory and can provide all the additional life insurance and widow's protections. The pension can either be a fixed figure, e.g. two-thirds of current salary or, perhaps, one-sixtieth of salary for each year of service. The pension can also he guaranteed to grow while in payment at the appropriate rate, e.g. 3 per cent, 5 per cent or 8.5 per cent.

Such a plan must be approved by the superannuation funds office of the Inland Revenue and, as it could be used to contract out of the state scheme, the Occupational Pensions Board would also need to be consulted.

The rules must provide that the total benefits vest in the employee immediately, so if he leaves service he takes his entire benefit to his new employer, who can take over the contract to ensure continuity. The required contribution should be calculated on an annual premiums basis, possibly allowing for future salary increases. In any event, the salary/pension relationship should be looked at each year to ensure that they are still in step and, indeed, the life insurance and widow's death in service benefits will need increasing as well.

This tells the employer the true cost in that year of his employee. It must be realised that an employer's annual contribution of, say, 10 per cent of payroll to a large pensiou fund is really an average rate comprising figures from 0 per cent (in a contributory fund) to over 200 per cent for the oldest members. Many people still think that the cost of employing a 50-year-old highly paid executive is still salary plua the 10 per cent contribution.

C. A. H. Garstang.
Northwood,
Wellpond Green,
Standon, Herts.

Benefits

From Mr. D. Briscoe

Sir,—I could not exist, were it not due to the efforts of the Department of Health and Social Security which pays my benefit.

Through illness and disability, I deal frequently with the department. The staff is like most Government departments, ahrinking in real terma, despite this the individual workload is increasing, as more and more people become eligible for benefits.

Many people moan at the DHSS, and the high costs to the taxpayer of the services it provides, but a few moments' thought is sufficient to show that the fault does not lie there. Government policy and fiscal mis-management, are the true causes of the present recession.

As a consumer of welfare benefits, I for one, am grateful to the DHSS staff and I think it is time that the work they do was rewarded. I would suggest the most practicable way, was by means of a productivity honus, which their nnion should request at the next round of pay talks.

Any attempt by the Government to argue that they should settle for single-figure rises, contradicts the Government'a own claim, to recognise that pay must be linked to productivity.

If any Government creates an industrial wasteland then, the remedy lies with the electorate, who must, by now have seen that inflation and high interest rates, are nothing to do with wages, hut a direct result of higher and growing nnemployment, shrinking the market for goods, and thus increasing the unit cost of their production, forcing industry to borrow more frequently, and at an ever growing cost.

Public sector borrowing requirement and minimum lending rate alike, merely indicate the state of our economy, and to argue that they control it; or are used to control it, is thus clearly a nonsense.

D. Alan Briscoe,
81, London Road,
Luton, Beds.

Patients

From Mr. J. Dennis and Dr. P. Draper

Sir,—Robin Pauley (December 15) rightly draws attention to the "almost uncontainable" level of administrative costs in private sickness insurance schemes. This alone should make us reconsider any thought of moving towards a privately funded system of health care. Data from Europe and the U.S. suggest that if Britain went over to a wbolly commercial insurance system, our bureaucratic costs would at least double and possibly treble.

There is, however, another hidden cost of sucb systems. Patrick Jenkin warned the U.S. Pharmaceutical Association that ill-health accounted for a third of all U.S. personal bankruptcies in 1970. Before tinkering with the finance of the NHS we should be fully appraised of all the disadvantages incurred by those who have tried the nostrums now being touted as panaceas. It sbould also be remembered that, from ibe quality of its general practice to the relatively even distribution of services, the NHS bas many good points.

We should, of course, add that these views are personal rather than institutional.

John Dennis,
(Dr.) Peter Draper.
Department of Community Medicine,
Guy's Hospital Medical School,
8, Newcomen Street, SE1.

Neighbourly

From Mr. R. Exley.

Sir, — The Labour Party for many years earned the contempt of ordinary people when it tried to achieve cheap popularity by attempting to drive barriers hetween the supposed working classes and the supposed upper classes.

Now we have the spectre of the Conservative Party trying to emulate the policies of divisiveness. Margaret and her friends are trying to turn the population against the public-sector workers. Let them beware. The population of the country can recognise a smokescreen when they see one, even if some of the Press cannot.

They will not excuse Government failures by being tricked into hating their neighbours, because the general public is not as blinkered aa some of our mentors seem to be.

Reg Exley.
66, Dene Bank,
Bradshaw, Bolton.

Languages

From the Director-General, Institute of Export

Sir,—The difficulties of UK adults in mastering languages other than English often lie in the way they have been taught a foreign language right at the beginning. Teaching failed to sbow that knowing languages would be directly useful, partly because the lessons did not concentrate bard enough on bow to say simple things in a way the foreigner could understand. One has only to compare the practical knowledge of English acquired by many Continental children to see what we ought to be aiming to do.

It will only be possible to have sensihla business and technical teaching at higher levels combined with languages if students arrive with a hasic and practical linguistic knowledge on which to huild. This implies not only a practical type of teaching but also making language study compulsory for longer than is presently required.

D. N. Royce
Institute of Export,
World Trade Centre, E1.

Tobacco

From Miss M. Watchorn.

Sir,—There is no doubt that smoking is air-polluting, offensive and sick-making to most people.

It is, however, a fact that tobacco bas been smoked in this country for some 400 years. The cancer, which is associated with it today, has evolved over the past 50 or so years, not 400. So, what has changed?

I suggest that the carcinogenic elements are not in the tobacco per se hut in the chemical additives (usually of oil origin) to the soil, spraya and processing of the crop.

Reducing smoking would certainly curtail a considerable nuisance and rednce some cancer formation hut we would still bave the similar treatment of our food. I snbmit that curbing the cbemical production and processing of food, which everyone eats, is far more important than a sectional ahnse.

Facts about food requirements bava been known for years bnt this country goes on with its drug-based ill-health service instead of switching to a health-prodncing information service which could reduce most of the ill-health within a couple of generations. The only excuse for experiments on animala can be that man profits by the results. Yet findings relating to hones (and teeth) have been played down, although brittle bones in age and decaying teeth are two of our worst health defects.

(Miss) M. Watchorn,
58 Priory Road,
West Bridgford,
Nottingham.

ITV: crucial decisions for the 1980s

In eight days' time, the Independent Broadcasting Authority will announce the companies which have been chosen to run commercial television for the 1980s. A decision on breakfast TV will also be made. Arthur Sandles reports.

THE SUNDAY immediately after Christmas may seem an odd time for the Independent Broadcasting Authority to choose for naming those who are to run ITV in the 1980s, but there is some simple logic behind it. With officials, authority members, contenders and journalists all about their festive family duties in the run up to December 28 there is little chance of a leak. With the markets slumbering from a surfeit of turkey, port and bonhomie the risks of share chaos are reduced.

The real question is whether all the fuss and secrecy is going to prove worthwhile. Is Lady Plowden, the IBA chairman, is going to leave office (she retires on December 31) with a roar or a whimper?

Forecasts of what the Authority may or may not do are very much guesswork. The 12 people directly involved in the decision making process are all part-time members, and as such about as predictable as the average British jury. It is one thing to predict the attitudes of permanent officials like Sir Brian Young, the director general, and Mr. Colin Shaw, director of television. To say what the Authority will decide is another matter.

But there are one or two hints of what might be in the IBA's mind which can be deduced. These centre on three conversation pieces which have become the mainstream of discussion in any group involved in television—who will lose their contracts, who will be forced into shotgun marriages and who, if anyone, will get the breakfast contract.

It is probably best to dispose first of those who are thought by most observers to be safe. At the top of this list stand the London companies of Thames and London Weekend. In those area Mr. Hughie Green has so far failed to produce the muscle that might have been needed to shift the incumbents. Thames apparently had a somewhat rougher ride in its interview with the Authority than it had expected, but that is regarded as simply a demonstration of IBA teeth even in the face of the largest member of its present family.

Anglia too came in for some chilling questioning, but should also be regarded as a fairly safe bet. With them in the small band of those who can enjoy their Christmas cheer without too much concern are probably Granada, HTV and Scottish.

In 1967, Lord Hill swung his axe—and removed TWW

Grampian, Border and Channel are unopposed. And that leaves Southern, ATV, Yorkshire, Tyne Tees, Westward and Ulster.

Southern and ATV are in similar boats. Both were the subject of extensive pre-race campaigns and both have been criticised for (a) not paying enough attention to regional differences within their areas and (b) having a narrowly-based share structure. ATV is a wholly owned subsidiary of Lord (Lew) Grade's Associated Communications (ACC), while Southern is owned by the Rank Organisation, Associated Newspapers and D. C. Thomson.

The first part of the criticism was catered for in the IBA's outline for the contract areas. Both contract holders will now have to offer separate studio facilities and some separate programming for their sub-regions. It is, however, in the second area of dispute that both ATV and Southern face difficulties.

If reports—as yet undenied—are true, ATV has already been questioned about its attitude towards a dilution of the ACC holding in its company. The answer was, apparently, a dusty one. ATV does not want a marriage.

Industry folk-lore goes back to 1967 when Lord Hill swung his memorable axe and removed TWW from the British televisual scene. It is said that TWW was in fact offered a share in its successor HTV, albeit a minority share. TWW rejected the idea flatly. Whether ATV would do the same if told to make any sort of deal with its present leading rival, Mercia, is a matter of much speculation. It is, however, regarded as unlikely that ATV should lose the licence completely.

The prime candidates for that doubtful honour are still Southern and Westward. Southern faces a string of healthy opponents and current industry wisdom is that if one or two of them do not marry spontaneously, then the IBA may simply push them together. The intriguing outside bet here is that the Authority will also elevate the South and South East area to that of a sixth network company (Thames, LWT, Granada, ATV and Yorkshire are the present five) thus greatly increasing the status, and value, of the company. Network companies provide the bulk of ITV's prime time material.

Westward's problems have been well enough aired over recent months. The question the IBA now faces is whether the present board, under Lord Harris of Greenwich, can run the company at least as well as its predecessor under Mr. Peter Cadbury. Lord Harris still faces opposition. Both his rival bidders have shown themselves to be well armed. Perhaps the tragedy is that such strength of opposition was not apparent elsewhere in ITV. Some form of merger might be the IBA solution.

Ulster is simply a last minute long shot. It has been widely assumed that the incumbent in Northern Ireland has done such a good job in the most appalling of circumstances that change would be ridiculous. In recent weeks, however, there have been suggestions that Ulster TV has been over-confident and that the IBA is not quite as sympathetic as had been assumed. Rival Northern Ireland Independent Television might be worth an outside bet, at least for a slice of the Ulster action.

For totally different reasons the position in Trident's two fiefdoms, Yorkshire and Tyne Tees, is probably going to give the IBA the greatest pause for thought. In Yorkshire the company's workers, led by Tory MP Mr. Jonathan Aitken with comradely support from Sir Harold Wilson, are putting up a stronger fight than had been expected (a similar potential bid, from London Weekend employees, was still-born). The worker vote—65 per cent in favour of new management—should be regarded with some caution. In this race only management lose their jobs, a change in the company umbrella could mean both redundancy pay and a new contract of employment.

If it were just a matter of counter bids then Yorkshire would probably be home and dry. After the disastrous early days of LWT the IBA is in no mood to give contracts to starry eyed dreamers. In this case, however, the whole question of worker participation is raised.

Trident faces a similar problem in Tyne Tees, where the rival bidder, Norsemen, has union support. The added complication with Tyne Tees is the unique relationship between it and Yorkshire, the Siamese twins of the east coast. The IBA has never been completely happy about the Tyne Tees-Yorkshire arrangement but, on the other hand, it has never seen a way of getting round it. Not only is there a basic question over the financial viability of a north-east television station, but also the transmitter system presents serious physical obstacles to a total separation.

It is difficult to avoid talking of the television franchise battle in terms other than those of horse racing. If one does, however, then most of the competition is over the flat. But the breakfast contest is the Grand National. In this race there is no clear favourite and the IBA may judge the going to be so bad as to call the whole thing off.

The breakfast bidders find themselves making their pitch at the most awkward of times. Most of them acknowledge that the first couple of years will be difficult to say the least, and now they have to fight their case knowing that if the present ITV companies can scupper the whole idea they will.

The IBA has been told time and time again that it can have either breakfast television or the fourth channel, but that there is simply not enough advertising money to go round for it to have both, and a healthy ITV 1.

There is no question that, given the choice, the IBA is going to go ahead with the fourth channel. The senior appointments have been made and more than £30m already committed to technical work. The Government, in the form of Mr. William Whitelaw, the Home Secretary, is also committed. The only way there could be a change is if—as the BBC is desperately campaigning for—the Government should so change

In racing terms, the breakfast contest is the Grand National

the ITV levy system that the fourth channel costs became intolerable.

To do this Government would have to change the levy from being profit-based to its former system of turnover-based. The argument is that with a profit-based levy the prime supporter of the fourth channel's early years will be the Treasury, since profits will be diverted to the new service. Such a change would, however, be potentially crippling to ITV as a whole, not just the new services. It would certainly mean all the present bidders, not just the incumbents, doing their sums again.

Any decision to kill or postpone the fourth channel would have to come from Government. It would also have to come in the teeth of opposition from Mr. Whitelaw.

The axe therefore must hang over the breakfast show. But if the IBA decided against going ahead now it would attract howls of contempt. Some £400,000 at least has been spent by the various applicants in preparing their approaches and although the IBA, even now, will not give a commitment to the new service it could fairly be accused of ineptitude if it has gone this far along a trail which it has no intention of ending anywhere. (The FT, via Pearson Longman's part of AM Television, must declare an interest. The writer, however, deliberately is not privy to details of AM Television's progress).

It is fairly widely felt that the IBA will attempt to get itself off this particular hook by pulling off the starting date for breakfast television and giving the contract to the in-house bidder, ITN. There would be some justification in both moves. ITN needs additional outlets if it is to compete realistically in future with BBC news. The additional funds from breakfast advertising would particularly enable it greatly to extend its foreign news coverage.

The best bets — and nothing more than that—might be:

- All change at Southern and Tyne Tees;
- Some form of shotgun marriage in the Midlands (ATV), the West Country and possibly Yorkshire;
- The breakfast contract for ITN, possibly with a salting from rival bidders, but start date delayed until ITV 2 is off the ground.

Weekend Brief

How to feed a newt and sex a sealion

John Knowles is a latter day Noah who directs an "ark" near Winchester called Marwell Zoo. He specialises in preserving a few seriously endangered animal species such as Przewalski's horse and the Siberian tiger. He uses a stark sign—the skull of a ruminant—to alert his visitors to a species in danger.

John Knowles is a businessman turned zookeeper who believes passionately in the importance of "arks" like his own to preserve species man is driving into oblivion. He's also very alive to the cost.

Take the Siberian tiger, almost extinct in the wild. But some 750 survive in zoos. At a mere $9 a day for bed, board and medical services, Knowles reckons this adds up worldwide to nearly $2.5m a year.

Now multiply that by an estimated 2,000 endangered species, and try to build "arks" to sustain them at a world population of 500 for each species. You are in line for a bill of the magnitude of the Apollo moon programme, about $25bn over the next 20 years.

Financial management of zoos is one end of a spectrum of instruction in animal management you can expect for £50 if you sign up for what is claimed to be the first correspondence course in the subject for keepers of wild animals. These are the kind of facts a keeper might find helpful in explaining why zoos have to charge so much these days, or how they justify keeping wild animals in captivity anyway.

At the other end of the course is some elementary biology. Sandwiched between, say the sponsors, is instruction on such skills as how to crate a crocodile, sex a sealion, nourish a newt.

"This will give everybody who works in a zoo the opportunity to get at least some background in animal management," says Colin Rawlins, director of London Zoo, and one of the sponsors of the course. London Zoo has its own course, and the correspondence course is based on it.

But previously there was no national course of training for keepers. "Each zoo does what it wishes—it's completely and utterly ad hoc," says Rawlins. He alleges that one safari park even hired a night club bouncer as a keeper.

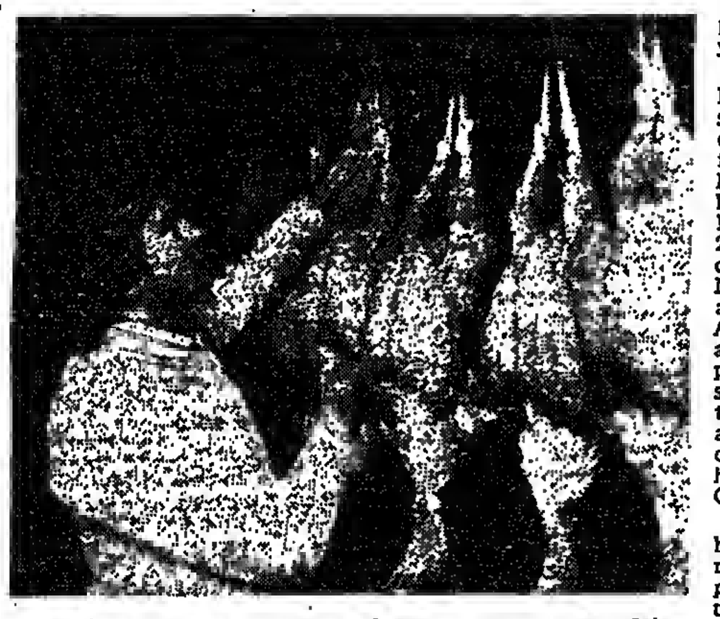
London Zoo has been willing to open its own course to the smaller zoos. But it meant "day release"—keepers were expected to spend one day a week at London Zoo. Small zoos found it impractical.

Rawlins and other enthusiasts from the Zoo Federation and half-a-dozen other organisations concerned with animal management persuaded the National Extension College in Cambridge to offer a two-year course they had designed and written. It becomes available in January.

They hope to persuade the City and Guilds of London Institute to examine students and award the successful ones a certificate in zoo animal management.

In fact, for £50 the written part of the course will be available to anyone, even if the student cannot fulfil the requirements of the practical part of the course. The college hopes that it might attract interest in the 30-study books, each about 4,000 words in length—altogether the equivalent of a couple of novels—from overseas animal lovers.

Had Mr. Rawlins taken a course in zoo management on his way to the top job in British zoos? No, he says. "It was purely luck of the draw—being in the right place at the right time." He just happened to return from the Colonial Service in Africa at the time when the London Zoo needed reorganising. He replied to an advertisement and was offered the job.



Nigel Armstrong of the Golden Barbeque butchers near Smithfield with turkeys in his cold store.

While butchers watch their birds by night

Between now and Christmas, Tom Jones and his brother Jack will be taking turns to sleep in a camp-bed above their Essex butcher's shop—keeping watch on 500 dead turkeys.

It isn't just a security measure against thieves. Reveille is 6 am, for the shop to be ready to receive ten butchers soon afterwards who will spend the whole of Sunday cleaning, dressing and trussing turkeys for the Christmas tables of Chingford, a well-heeled bit of East London commuter belt in Epping Forest.

It is typical of what will be happening in thousands of butcher's shops all over Britain.

Tom says it all works like a BL car production line—only more smoothly. Each butcher does his own little job and the turkey is passed down the line.

Not surprisingly, Tom Jones, who has run the family business of S. Jones and Sons for many years, is an authority on turkey lore. He talks about them with a kind of affection. They're really rather weak creatures, in spite of all that splendid pout, vulnerable to all the ills that flesh is heir to—pneumonia, fowl pest, and, of course, cannibalism.

"At least that was until antibiotics were developed and scientific methods of feeding," he says. He buys his turkeys from several sources, remembering the days when fowl pest could almost wipe out the Christmas profits of a small butcher relying on one supplier.

Tom insists that turkey is still the best Christmas buy. Geese and ducks are in decline. The price of a goose — £1.30 a lb as against as little as 68p for a 20 lb turkey — but also the amount of fat puts off a cholesterol-conscious executive area such as south-west Essex.

Tom says that, in spite of its high price, beef is enjoying a seasonal boom. "A lot of people going away for Christmas," he says, "are giving New Year dinner parties. And, already stuffed with turkey, they're going for expensive cuts of beef."

Other pieces of advice from Tom's Christmas camp bed. The best birds weigh over 11 lbs. And if you're entertaining lavishly, you should get 40 generous portions from a 25 lb turkey properly carved.

John Stuchfield, one of Tom's right-hand men, sips a quiet pint in his local pub: "The last quiet one between now and Christmas. John will be on the production line, but says philosophically that it's nice working in a real butcher's shop that cuts its meat to measure. 'No off-the-peg joints here' he says."

A fillip for private aircraft

Britain's first airport designed solely for the expanding general aviation sector—business and private aircraft owners—is now taking shape in Lincolnshire at the former RAF Gamston base. The existing runway, reception and hangar facilities are to be improved and extended in a programme costing most than £1m. And, if all goes well, the first private aircraft could be flying to the new airport about the middle of next year.

The plans are the work of Northair Aviation, an aircraft sales, leasing and maintenance company based at Leeds/Bradford airport, which has established itself as one of Britain's biggest light aircraft dealers. Founded as an air taxi company 20 years ago by the present chairman, Tom Crabtree, Northair is the biggest UK agent for Cessna, the North American company which accounts for an estimated 60 per cent of world light aircraft sales. And with its own sales to British buyers averaging around 40 a year, Northair claims to be number four behind three U.S. companies in Cessna sales worldwide.

Northair believes its existing base at Leeds/Bradford has now reached the limits of expansion. Gamston is close to the A1 and within easy driving distance of a number of major cities in the North, the Midlands and East of England and will provide room for further expansion. Eventually it will provide full maintenance and ground crew services as well as airport and hangar services. It will also have the considerable advantage, Northair believes, of not being attached to a civil airport where priority is inevitably given to scheduled operators. "Gamston will be a base much more attuned to general aviation than is possible in a commercial airfield," claims Derek Blackall, a Northern Aviation executive.

The general aviation market in Britain has been hit by recession but Northair is predicting strong growth in the 1980s. Northair itself sells the complete Cessna range from £15,000 single engine jobs to the £1m-plus Citation jet — a business aircraft with a range of 3,000 miles—and its customers range from farmers who want to inspect their crops from the air to large and medium sized public companies. In between are the flying schools, the air taxi operators, the entertainment stars such as Roger Moore who like to fly themselves between engagements, and the enthusiastic private flier.

The corporate sector is seen as offering the best prospects for growth as costs of other forms of transport rise and air services to smaller airports are cut back. As part of its sales pitch Northair will conduct a feasibility study based on the current travel patterns of executives in a particular company to show whether aircraft purchase would be economic and if so which type. There is, Derek Blackall points out, a 400-500 hour per year flying time break-even point for smaller aircraft. To help companies that might not reach this but still want to go ahead Northair will sell time to other users through its air taxi side or through leasing. Companies buying aircraft, Derek Blackall notes, can put it down as a fixed asset which can be depreciated against tax.

Northair's Leeds base now employs around 60 people, most of them on maintenance, and apparently has not suffered from being located away from the South East where most of Britain's company headquarters, and many of its wealthiest individuals, are based. Most organisations and individuals have business activities in the North, Derek Blackall says, and will tend to drop their aircraft in for servicing in the morning—as most of us would our cars—picking them up to fly home at night.

How the crack got into the cracker

Christmas would not be Christmas without the traditional cracker containing snap, paper hat, trinket, and awful joke—and next week some 90m crackers will be pulled at seasonal festivities throughout the UK.

But elsewhere in the world the celebrations will be largely marked without resorting to this most popular of British traditions. Apart from Commonwealth countries such as Canada, Australia, and New Zealand, and some parts of Scandinavia, the British are alone in buying crackers for Christmas.

In most other countries, crackers are sold throughout the year mainly for use at children's birthday parties. British cracker makers would like to see more crackers sold in this country for parties during the year—since virtually all sales to consumers are in the few weeks before Christmas. This means that a substantial amount of capital has to be tied up in stocks and, with current high interest rates, this has put considerable pressure on manufacturers.

But the manufacturers are the first to admit that it's an uphill struggle to persuade consumers to buy crackers at other times, apart from Christmas.

The popularity of crackers in the UK is perhaps even more surprising given that they were originally copied from the French and it was German firework makers who provided the snap.

The inventor of the modern Christmas cracker is generally thought to be Tom Smith, a 19th-century London baker and confectioner. Tom Smith copied the French idea of wrapping sugared almonds in twists of paper and over the latter half of the century gradually developed the cracker into its present form, which roughly represents a barrel-shaped Yule log.

But the cracker still lacked one essential ingredient — the "crack." The story goes that one Christmas, Tom Smith was startled by the crackling of a log fire as he pondered new ways of selling his products, which were still only enjoying modest success. The snap and the crackle of the fire, however, gave him the idea of adding a snap to his crackers — but it was the Germans who provided the technology at around the turn of the century.

By adding the snap to his crackers, Tom Smith ensured the rapid spread of the cracker's popularity. And his company, called Tom Smith and based in Norwich, is still the largest manufacturer of crackers in the world.

One of Tom Smith's other innovations was to put "love mottoes," printed on small slips of paper, inside the sweet wrapping. This practice has survived to this day in the form of the agonising puns and jokes that crackers traditionally contain.

The Tom Smith company uses a panel of its management to sort through the thousands of jokes it accumulates each year to identify the best 24 which are used that year. Apart from the fact that people now seem to expect bad puns from their crackers, the selection of jokes and riddles has carefully to ensure that no potential customer is offended.

Although the size of crackers in recent years has begun to shrink—inevitably because of rising costs—the largest cracker ever made was 45 feet long and eight feet in diameter. It was built for BBC's television's Record Breakers show on December 27, 1974.

Mr. Gordon Pennington, managing director of Tom Smith's

Contributors:
David Fishlock
Alan Forrest
Rhys David
David Churchill

Greene King just ahead midway with £2.57m

ON TURNOVER up from £24.1m to £27.03m taxable profits of Greene, King and Sons, Bury St. Edmunds-based brewer, rose slightly to £2.57m for the half year ended October 26, 1980, compared with £2.49m, and the directors say that providing the volume of sales can be maintained at current levels, profits for the full period should be similar to last year.

Pre-tax figure for the whole of 1979-80 was £5.8m (£5.09m).

Earnings per 25p share are shown as 7.3p (7.1p) as at October 26, and the interim dividend is effectively raised to 2.1p (2p) net—last year's final payment was 3.5p.

The directors explain that trade in draught beers was level but sales of bottled beers, wines and spirits suffered in the tough trading conditions during the period. Sensible economies in production, distribution and administration are being made wherever possible, they state, although the company is not contemplating any reduction in its plans for capital spending or property maintenance.

Tax for the six months takes £1.06m against £1.03m and there was an extraordinary credit of £125,000 (£117,000).

On a CCA basis pre-tax profits are reduced to £2.03m, after additional depreciation of £319,000, adjustments for cost of sales of £271,000, and monetary working capital £13,000, less the gearing factor £71,000, and included associates' share of CCA profits of £34,000.

● comment

Greene King has increased its market share of beer sales but at the expense of a decline in pre-tax margins to 9.5 per cent, the lowest level since 1971. Volume of beer sold fell by 3 per cent overall but this masked divergent trends in draught beer, where volume was maintained, and bottled beer, which suffered a 10 per cent decline. Sales of wines and spirits were down by about 10 per cent. Part of the explanation for the erosion in profit margins lies in the fact that sales to the free trade, traditionally lower gross margins, have been maintained while pub sales have slipped. Nevertheless Greene put up its prices in November which should go some way to restoring margins. With Christmas beer sales apparently running at the same level as last year the chairman appears confident that last year's earnings of £5.8m can be equalled. At 244p, the high for the year, the prospective yield assuming a 1.75p pay out is a mere 2.3 per cent and the fully-taxed p/e around 17.8, reflecting a decade of rapid growth and further expansion potential.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Batleys Yorkshire int.	0.5	Feb. 19	*0.43	—	*1.99
Bell and Sime ......int.	1.75	Feb. 6	1.75	—	6.75
Brunner Inv. Tst.	1.53	Mar. 23	*1.38	2.75	*2.45
Charter Trust	2.28	Mar. 13	2.03	3.2	‡3.16
Continuous Stationery int.	0.45	April 7	*0.45	—	*2.15
Crown House ....int.	2.25	Feb. 20	2.25	—	5.25
Greene King ....int.	2.1	Feb. 13	*2	—	*5.5
GT Asia	40	—	40	40	40
Hardys and Hansons ...	8	Mar. 2	6.8	11.1	9.4
Melody Mills ....int.	Nil	—	1	—	1
Norton and Wright int.	0.5	—	1.28	—	4.47
Oakwood	4.5	Feb. 18	Nil	4.5	Nil
Phoenix Timber ...int.	1	Feb. 6	2	—	5
Polly Peck ....int.	0.1	April 3	Nil	—	Nil
Siebe Gorman ......int.	2.51	April 1	2.51	—	7.26

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Including special 0.306p.

Upturn for Hardys & Hansons

FOR THE 53 weeks ended October 3, 1980, turnover of Nottingham-based brewer Hardys and Hansons improved to £13.07m, compared with £11.21m the previous year, and profits, before tax, went ahead to £2.65m against £2.26m.

After tax of £1.41m (£1.21m) net profits were £1.24m, against £1.04m, giving earnings of 24.573p (20.757p) per 25p share.

The dividend for the 53 weeks is lifted to 11.1p (9.4p) net with a final payment of 8p.

At the midway stage profits had risen from £940,000 to £1.17m

Strike hit Fuller declines

WITH A five week strike during the summer causing a loss of beer sales at an estimated cost of £300,000, taxable profits of Fuller, Smith and Turner fell from £810,814 to £425,063 in the 27 weeks to October 3, 1980.

The other major factor contributing to the profit decline was an increase of £112,368 in the charges for depreciation and interest.

The directors state that the loss of sales during the strike will never be recovered, and having regard to the present recession it seems unlikely that second half results will match the £900,000 of last year.

Turnover for the 27 weeks totalled £10.15m (£9.43m for 26 weeks).

Earnings per share are stated at 6.86p (12.96p adjusted) and the interim dividend is 2.33p net.

The company, which operates as a brewer and wine and spirit merchant, was admitted to the Stock Exchange Unlisted Securities Market on November 10. It had "close" status.

Yorkshire: why it called in receivers

YORKSHIRE BANK, which called in receivers to Cope Sportswear on Thursday, yesterday denied the Board's claim that the company was operating profitably.

The bank said that "Cope Sportswear has been in severe financial difficulty for some time. Management accounts for the current year, supplied to the bank, show further substantial losses. Forecasts indicated a further period of unprofitable trading."

After it had received this information, the bank said, it commissioned a report from an independent firm of accountants. This led the bank to decide that it could not provide "the further assistance needed under the company's forward cashflow forecast."

It made this decision known on Tuesday to Cope's advisors who "indicated that in these circumstances they had no viable proposals to put forward." The bank then asked for immediate repayment of the company's overdraft. After a further meeting on Thursday with Cope's advisers, which produced no practicable alternative, the company asked for receivers to be called in.

Yorkshire Bank made its unusual explanation of the reasons for and the chronology of its actions, in reply to an earlier statement by the company's Board.

This said the Board regretted Yorkshire's decision which was made "without reference to the other lenders in the group and to the group's auditors" and at a time "when the group is currently operating profitably and trading within agreed banking facility levels."

The Board did not reveal that there had been talks with advisers over a possible financial reconstruction.

A spokesman for Yorkshire Bank yesterday stressed that the decision had not been made on short term considerations. "We appreciate that we are in difficult times and that we have an obligation to assist companies wherever we can. Where we can support a company we will."

Phoenix Timber in loss midway

LOSSES OF £447,000 before tax are reported by Phoenix Timber Company for the six months ended September 30, 1980, compared with a £530,000 profit in the same period last year. External sales were down from £23.24m to £18.76m.

The loss is after a provision of £300,000 which in view of unsettled market conditions, the directors have set aside against stocks and purchase contracts at September 30. Interest charges rose from £788,000 to £1.03m.

	Six months 1980 £000	1979 £000
External sales	18,756	23,237
Profit	885	1,318
Financial charges	1,032	788
Provisions	300	—
Loss before tax	447	*530
Tax	75	229
Net loss	372	301
Extraordinary credits .	162	†68
Attributable loss ...	210	*233
Dividends	32	62

* Profits. † Debits.

Trading conditions have not improved and the Board has decided to reduce the interim dividend from 2p to 1p per 25p share. The total last year was 5p from pre-tax profits of £320,000.

Net loss per share for the first half is stated as 12.5p against 10.4p earnings and 12.1p (8.5p earnings) on a nil basis.

Tax credits of £75,000 (£229,000 charge) and realised surpluses of £162,000 on the sale of two properties reduced the attributable loss to £210,000 compared with £233,000 profits.

● comment

Phoenix Timber has produced slightly worse half-year figures even than the uniformly dismal news that other timber companies have been reporting lately. Profits were down by a third at the trading level, higher interest charges bringing about a pre-tax loss of £147,000 before stock write-downs. This compares with a £210,000 pre-tax loss in the second half of last year, so it can be fairly argued that cost-saving has begun to show returns. Because there is no indication yet that trading conditions are improving, the interim dividend has been halved. The market reaction to this news was a surprising rise of 15p in the share price, which closed at 100p. It may be that still nastier figures were expected, and bears were forced to buy hurriedly. It seems as likely that there was a recurrence of bid speculation, which is periodically stimulated by Phoenix's asset backing of more than £3 per share.

Crown House drops but maintains interim

REDUCED DEMAND for glassware products and a narrowing of export margins, and difficulties arising on an engineering contract in Egypt have left taxable profits of Crown House at virtually break-even point of £70,000 for the six months ended September 30, 1980, compared with £1.69m previously.

Mr. Patrick Edge-Partington, chairman, says that directors, however, are maintaining the interim dividend at 2.25p per share and subject to a forecast full-year pre-tax profit in excess of £2m being achieved, they intend to maintain the final payment—the net final distribution for 1979-80 was 3p paid from profits of £4.55m.

Turnover for the six months fell from £64.99m to £58.72m.

The chairman states that there were no sales of developed properties during the period, against one previously, although a property development is expected to be sold in the second half of the year. This will give rise to a profit for the whole year comparable with that of last time.

There was no tax (£878,000)—charge for the full year is expected to be minimal—but extraordinary items took £37,000 (£28,000 credit), minorities were £31,000 (£47,000 losses) which left a balance of £2,000 (£885,000).

Dividends absorb £519,000 (same) which required a transfer of £517,000 from reserves (£368,000 to reserves).

Completion of the sale of the company's 80 per cent interest in Anglo International Hotels for £300,000 cash has been affected, together with the repayment of loans to that company of £500,000. All sums due have been received.

Hawthorn cool over £3.5m bid

BY REG VAUGHAN

THE £3.5m bid by Starwest Investment Holdings for R and W Hawthorn Leslie, the former marine engineer and shipbuilder, has met with a cool response from the Board.

Starwest—Mr. Remo Dipre's private company, whose interests are principally in housebuilding, property and the manufacture of generators—announced on Thursday that it had acquired a 35.3 per cent holding in the company (949,500 shares) at 130p per share, and is extending the offer to all other holders at the same price.

Starwest announced yesterday that it had acquired further shares taking its stake in Hawthorn up to 39.3 per cent (1,057,450 shares).

Mr. Keith Chapman, Hawthorn finance director, said yesterday that the company "very much wished to remain independent." It was consulting with its financial advisers, Samuel Montagu, and recommended that shareholders take no action until they hear from the Board. The company expects to be writing to holders next week.

Hawthorn said it had received no approaches from Starwest nor had any talks with the company prior to the bid announcement. Hawthorn also noted that no formal offer had been announced for the £626,981 of preference capital.

The bulk of the Hawthorn shares were acquired by way of a "negotiated deal" and a large part are understood to have come from the G.T. Management and Gartmore investment management groups. Major shareholders in Hawthorn are M and G Investment Management with 24.6 per cent, Prudential Corporation with 7.7 per cent and Northern Securities Trust with 5.2 per cent. The directors of Hawthorn control 9 per cent of the shares.

This offer for Hawthorn represents the third takeover attempt by Starwest in the last two years. In 1978 it failed in its attempt to acquire Trident Group Printers and in September this year was unsuccessful in its bid for Gough Cooper, the housebuilder.

Starwest, which is particularly interested in Hawthorn's electrical business, has said it intends to continue Hawthorn's business and will safeguard the rights of the employees. Mr. Chapman said yesterday he was concerned that jobs at Hawthorn be protected.

Hawthorn shares yesterday closed 1p lower at 132p.

Euromarket loan to help Penta purchase

Penta Airport Hotels is raising an £11.9m credit in the euromarkets to finance its purchase of the Heathrow Hotel and the Gatwick Park Hotel from the Lex Service Group.

The 10-year credit carries a margin of 1½ per cent over London Interbank Rates and is being provided on a club basis by National Westminster, Orion Bank and Westdeutsche Landesbank.

Euromarket bankers were somewhat surprised that such a high margin is being charged. Penta's main shareholders include British Airways, Swissair, and Lufthansa, none of whom would themselves attract such a high spread.

The credit is being guaranteed by Penta's Dutch parent company E. H. C. Penta NV, but not by the group's shareholders.

Penta announced recently that the total value of the purchase from the Lex Group amounted to £14.5m.

British Underwater Eng. receives £4m injection

British Underwater Engineering, the specialist underwater products and services group in which the National Enterprise Board holds a major stake, is to receive a £4m injection of funds.

Half will consist of an additional £2m of BUE share capital, to be issued to the existing shareholders, the NEB, which currently holds 90 per cent of the equity, and the American-owned Brown and Root, raising shareholders' funds to £8.9m.

At the same time North Sea Assets, an Edinburgh-based investment company specialising in the offshore service industry, will inject £2m into a BUE subsidiary with the option to convert this investment into a 18.33 per cent holding of BUE.

NSA stake in BUE will reduce the NEB's holding in the company to 71.7 per cent with Brown and Root retaining its 10 per cent holding.

BUE also announced yesterday the purchase of five support vessels and 11 manned and unmanned submersibles from Intersub for an undisclosed price. Intersub, which was owned by Northern Offshore which went into liquidation in August, has ceased trading.

Although BUE made a loss last year, its first year of operation, Mr. Roger Kendrick, managing director, said yesterday that the losses had been stemmed and that the company was close to breaking even. Part of the improvement, he said, reflected the development of overseas business.

BUE currently employs 600 people, including vessel crews, and Mr. Kendrick expected this figure to increase by 100 over the coming year.

JAMES SCOTT PAYS ARREARS

James Scott Engineering Group yesterday paid a dividend on the first preference shares of 11.375 per cent in respect of the two-and-a-years years up to July 31, 1980, and 25.025 per cent on the second preference shares in respect of the five-and-a-half years up to the same date.

These dividends eliminate all arrears attaching to the shares.

William Press intends to make offers of 70p cash for each of the Scott first and second preference shares—Press currently owns all of Scott's ordinary capital as well as 96,350 first preference shares (48.2 per cent), and 162,617 of the second (47.8 per cent).

Polly Peck returns to profit and is confident for future

DESPITE A fall in turnover from £515,000 to £502,143, Polly Peck (Holdings), ladies' clothing manufacturer, has returned to profit with a pre-tax surplus of £17,670 for the period from March 20 to August 31, 1980, compared with a loss of £29,000 for the six months to September 19 last year.

With the new corrugated packaging plant in Cyprus due to be fully operational by the end of January, the directors see no reason to amend their previous forecast of £2m pre-tax profits from this activity for the 17-month period to August 31, 1981.

Turnover is currently running at about 70 per cent above last year's level, say the directors, and the increased number of shops-within-shops, the direct mail order business and penetration into export markets should lead to an improvement in turnover in the next interim statement, for the six months to February 28, 1981.

The surplus this time included extraordinary profits of £9,189 (nil) and was subject to tax of £3,125 (nil). Stated earnings per 5p share are 0.1p (0.56p loss) and the directors are announcing a first interim dividend of 0.1p net—the last payment was in 1975.

The Cyprus company, Uni-Pack Packaging, was purchased with the proceeds of a £1.56m rights issue from Mr. A. Nadir, who indirectly controls Restro Investments, which obtained 58 per cent of Polly Peck's shares in an agreed takeover earlier this year.

The directors say it is intended to produce flat corrugated board as well as complete containers in the new plant and they expect this to compensate for delays in bringing the plant into full production. Much wider markets are open to Uni-Pack than originally envisaged, they add.

● comment

It is comforting to see the year's best performing stock, Polly Peck, which has shown a 2,700 per cent price increase since the beginning of January, creep its P and L account into the black. Annualising the last 5½ months earnings to produce a p/e of around 700 may seem a bit on the heady side but the prospective rating at 145p is probably nearer 7 fully taxed. Turnover of the garments division is evidently rising rapidly with profitability even faster and the 70 per cent increase indicated to date is before the benefits of exports which are only just coming through. The new Cyprus corrugated packaging factory has encountered very strong demand and although there was a slight delay in starting up as the company upgraded the machines the earlier forecast of £2m profit this year still stands. So overall Polly Peck could be on target for close to £3m before taking anything in for Cornell which will become a subsidiary in the New Year. At present, of course, the shares are still a matter of faith and should Mr. Asil Nadir fail his followers the share prices of the trio in his stable will undoubtedly follow the path of the "Duke of York's 10,000 men." Otherwise a p/e of 7 is not expensive.

Massey UK £8.8m in the red

ADVERSELY AFFECTED by the high value of the pound, high interest rates and poor trading conditions, particularly in overseas markets which account for some 70 per cent of turnover—up from £529.2m to £556.9m—Massey-Ferguson Holdings, the UK arm of the Canadian agricultural and industrial tractor group, slumped from pre-tax profits of £2.96m to a loss of £8.81m for the year ended October 31, 1980.

There is again no dividend and after tax of £315,000 (£44,000 credit) there was an extraordinary debit of £13.73m (£10.02m), mainly representing redundancy costs, which left the group's loss at £22.85m against £7.02m, previously.

Loss per share is given as 285.6p compared with 87.7p.

At halfway, profits had fallen from £3.6m to £2.3m and the directors said that poor trading conditions in the second half in North America and other export markets, and the continuing strength of the pound, would seriously affect group performance.

Pict Petroleum applies for admission to USM

PICT PETROLEUM, the independent Scottish oil exploration company, has announced its application to the London Stock Exchange for admission to the Unlisted Securities Market (USM). Dealings in the shares, currently traded under Rule 163(3), are expected to start before the end of this month.

The company has also revealed a pre-tax loss of £218,000 for the year to October 31, against last year's profit of £23,000. This resulted after a trading profit of £60,000 (£88,000), and an exploration expenditure write-off of £278,000 (£65,000). After a corporation tax credit of £21,000 Pict's net loss came to £197,000.

Mr. Ewan Brown, a director of Pict, said that the company had been invited to farm into three shallow-water offshore blocks and two mining licences in the gas area of the North Sea near Scarborough. Pict was asked by Total and Elf, two companies it has been exploring with since 1972. Pict's expenses in these ventures will be around £750,000.

Mr. Brown added that Pict's Canadian associate, Drummon Holdings, had recently increased its oil and gas reserves by acquiring a controlling interest in a Canadian oil company. Drummond plans a listing on the Toronto and Vancouver stock exchanges early next year.

Pict's cash balance, after its recent £3.8m rights issue, amounts to £5.1m according to Mr. Brown. He said the company has joined five different Seventh Round consortia run by BNOC and Total, taking stakes ranging from 6.7 per cent to 12.5 per cent. The cost of these groups could be as much as £2.5m if successful.

Mr. Brown explained that Pict was seeking a listing on the USM for two reasons. First, the Pict shareholders' base had expanded from its original 100 last May when the shares were listed under Rule 163 (3) to around 800. Second, he thought the Rule 163 market would be phased out within the near future.

Mr. Brown said that Pict, which is managed by Scottish merchant bank, Noble Grossart, is supported by the four top Scottish institutions Edinburgh Securities, Scottish Investment Trust, Securities Trust and British Investment Trust hold jointly around 34 per cent of Pict's shares.

The company's shares dropped 10p to 340p yesterday. It is capitalised at around £21m.

Hoskins & Horton sells stake in Kuwait offshoot

Hoskins and Horton, the builder contractor and hospital bed manufacturer which earlier this year announced a loss of £247,000 for the first half of 1980, is making a further provision of £465,000 in respect of its Kuwait operation.

The company — which announced its withdrawal from Kuwait in September—said yesterday that agreement had been reached for the sale for £300,000 of its 49 per cent holding in Kuwait Metal Furniture Manufacturing Company, which was established with the Al Rashed family in 1978 to manufacture and supply hospital equipment in Kuwait.

The holding (valued in Hoskins' books at a cost of £304,000) is to be sold to the majority holders of KMFM. The terms of the sale include a full waiver on the part of the company of all its rights against KMFM. A sum of £250,000 will be paid immediately and the balance will be in two instalments over the next two years.

The first payment has been applied in reducing group borrowings (£1m at December 31, 1979) and there will also be a reduction of £175,000 in contingent liabilities under bank guarantees.

The group loss for the half year (£338,000 profit) was struck after provision for losses of associates of £127,000.

ARAN/PRI

Aran Energy has received acceptances representing 85.9 per cent of the shares of Petroleum Royalties of Ireland in response to its bid. The conditions of the offer have been satisfied and the bid has now become unconditional and remains open for acceptance until further notice.

LEGAL & GENERAL

The board of the Legal and General Group says the French supervisory authorities have approved the transfer of the general insurance business conducted in France by the subsidiary Gresham Fire and Accident Insurance Society to the Yorkshire Insurance Company, a subsidiary of the General Accident Fire and Life Assurance Corporation.

Premium income arising from the portfolio in 1979 was £4.5m. The arrangement does not affect Legal and General's life business in France which will continue unchanged.

DWEK GROUP

Dwek Group has issued 915,000 ordinary shares to the vendors of Tyrone Metalcraft as further consideration. Mr. M. Dwek now holds 3,049,867 shares (36 per cent), Mr. L. Dwek 1,317,717 (16 per cent), and Mr. E. Dwek 1,047,198 shares (12 per cent).

EDITH ISSUES NEW SHARES

Estate Duties Investment Trust has issued 136,986 new shares in partial consideration for the acquisition of a minority holding in the Reiss Engineering Co., a North London based manufacturer and distributor of specialist industrial valves and pumps.

PYKE (HOLDINGS) IN TALKS

Mr. P. Garner, chairman of Pyke (Holdings), wholesale and retail butcher, says in his annual report that the company has entered into negotiations to acquire premises in Canterbury, Kent, together with the goodwill of a company in that area.

This will not only broaden the base of Pyke's operations, but will provide another addition to its profitability.

He says Dyke is feeling the effect of the present economic climate, but management accounts for the period to date indicate that it is back in profit and expects to report a respectable performance in the current.

BLUE CIRCLE

Blue Circle Industries has completed the acquisition of Onlyway Products for £160,000.

Onlyway makes paint rollers and ancillary products related to the application of paint and paint related products.

Melody Mills slides into loss

WALLPAPER manufacturer Melody Mills made pre-tax losses of £543,000 in the half-year to September 30, 1980, against profits of £230,000. Turnover was up slightly from £4.64m to £4.81m.

No interim dividend will be paid, compared with 1p last time. The final was omitted last year when pre-tax profits were down from £825,933 to £390,852.

The directors say the recession and fierce competition in the wallcoverings industry have resulted in under utilisation of capacity. Prices are inadequate to cover rising costs.

The strength of the pound has made export difficult and less profitable, they say, and the heavy cost of interest has added to the company's losses. While its new collections are highly rated and have generated good initial orders, many customers have since down-stocked or are purchasing very low-priced wallcoverings elsewhere.

Sales for October and November, which are traditionally good months, were well below budget, and these losses have continued.

The directors add that the company has cleared redundant stocks and taken positive steps to achieve substantial economies. These include shutting down part of the more labour intensive manufacturing operations and closing two distribution depots.

The workforce reductions will not significantly affect the company's ability to take advantage of any improvement in market conditions, the directors say.

There was no tax charge for the six months, compared with £120,000 last time, and the stated loss per share was 12.95p (2.9p earnings).

SECOND CITY PROPERTIES

The directors of Second City Properties say that the holders of £6,255 nominal of 7 per cent unsecured loan stock 1992-97 (formerly convertible) have exercised their rights to early repayment at par, together with accrued interest.

The outstanding balance of £115,700 nominal of stock has been converted compulsorily into 242,419 ordinary shares which rank pari passu with the existing ordinary. Listing has been granted for the new shares and dealings are expected to commence on Monday, December 22.

Siebe Gorman downturn

PRE-TAX PROFITS of Siebe Gorman Holdings are down 15 per cent from £1.96m to £1.66m in the half year ended September 30, 1980, on sales of £21.2m against £24.27m, a reduction of 12 per cent.

However, the interim dividend is held at 2.51p per share—a total of 7.26p was paid in 1979-80 when pre-tax profits amounted to £4.24m.

The first half results reflect the effects of the recession on the group's customers, sharply increased interest charges of £836,000 against £699,000 and net redundancy costs of £110,000.

The group designs and makes advanced technology rescue, fire-fighting and underwater products, safety and survival equipment, leisure and protective wear.

Oakwood meets forecast

IN LINE with the forecast in the May prospectus when pre-tax profits of not less than £700,000 were expected for the year to September 30, 1980, Oakwood Group reports a profit advance from £422,000 to £718,000.

Turnover for the 12 months amounted to £9.88m (£8.69m). Tax took £179,000 (£182,000) and the attributable balance pushed ahead from £178,000 to £403,000.

Earnings per 25p share jumped from 11.22p to 25.6p and, as anticipated, the net dividend is 4.5p (nil).

At September 30 the net asset value per share totalled 118p (79p).

Taxable profit increased by £34,000 due to the acquisition of the outstanding 33⅓ per cent minority interest in a subsidiary in May 1980.

The charge for tax is subnormal due to stock relief.

Holders of approximately 70 per cent of the ordinary share capital have waived 75 per cent of their dividends.

The directors state that while the contribution from the wholesale distribution of water and sanitaryware has been less than anticipated due to the recession, the spread of activities in civil and electrical engineering, with particular reference to overseas, enabled the group to achieve its result.

The outlook for the distribution of water and sanitaryware remains depressed but the civil and electrical engineering order book is being maintained and prospects for the group are satisfactory, the directors add.

Results due next week

Little Christmas cheer is expected from Scottish and Newcastle Breweries, when it announces its interim figures on Monday. In line with most brewers a poor summer has adversely affected beer sales. In addition, its diversification into hotels — the group is now the third largest hotel operator in the UK—will have done little to shield the company from the cold draught of the recession. Analysts forecast a range between £21.5m and £20.3m against last year's £22.6m.

Also missing out on the festive spirit is Westward Television which will unveil its preliminary results on Monday. For the market the figures are largely academic as Westward's future will be determined on December 28 when the new television franchises are awarded.

In August, Mr. Nicholas Wills, chairman of Initial Services, the workwear and dry cleaning group, pointed out to shareholders the deterioration of trading conditions. Just how hard hit the group has been will be made clear on Monday when the interim figures are published.

A grim set of interim results from Petbow, maker of generating and welding sets, will probably show the group still stuck in the red. Losses for last year totalled £0.9m and with the recession deepening, bigger losses at the half-way stage than last year's £576,000 appear likely.

Audiotronic Holdings, the loss-making electronics company, where Mr. Geoffrey Rose quit as chairman in October, reports its interim figures on Monday. The company, under its new chairman Mr. A. Macpherson, currently depends on bank support that is subject to monthly review, and it will still be in the red.

Radiant Metal, the electroplating, metal finishing and home furnishing retailer, is likely to interrupt its previously unbroken record of rising profits, when its interim results are announced on Monday.

Sekers International half-year figures, due on Monday, should show the group still in profit and a stronger balance-sheet thanks to the reduction of group borrowings.

Also reporting their interim figures on Monday are Wood and Sons Holdings and Lazard Brothers Sterling Reserve Fund.

With most foundries facing a grim future of falling sales and deepening losses, Cronite Group stand out as the exception that proves the rule. Its preliminary figures, due on Tuesday, should please the market once again by showing Cronite staunchly in the black.

Also on Tuesday will be interim figures from Forminster, the clothing manufacturers. The company, which is a major supplier to Littlewoods, has a strong balance-sheet and there has been some speculation it might hit the take-over trail soon.

Philip Harris, the scientific manufacturer, and London and Associated Investment Trust publish their half-way results on Tuesday.

Norton & Wright in loss midway

AS FORECAST in March, increased labour costs and overheads have severely affected margins at Norton and Wright Group, manufacturer and distributor of lottery tickets and fund-raising cards and schemes.

High interest rates and the strong pound are also blamed by directors for a plunge to pre-tax losses of £207,427 in the six months to September 30, 1980, compared with profits of £644,186 a year ago.

However, they say a management reorganisation and a reduction in the labour force are proving effective and the group is trading profitably in the second half. Export sales are particularly encouraging, with orders having been secured in new markets.

The interim dividend is being cut to 0.5p (1.2808p) net—last year a total of 4.4701p was paid from taxable profits of £1.25m.

Midway fall for Jacksons Bourne End

The current condition of the footwear and automotive industries has severely affected demand for the moulded components produced by Jacksons Bourne End, reducing the group's profits from £149,000 to £54,000 before tax in the 28 weeks to October 11, 1980.

Directors say the workforce has been reduced and some short-time working has been introduced.

The interim dividend is held at 2p net—last year a total of 5p was paid from taxable profits of £332,000 (£176,000).

First-half turnover fell from £3.01m to £2.73m and there was a tax charge of £15,000 (£78,000).

The directors say that work is going ahead as planned on property developments for which planning permission has already been obtained. In addition, a reply to revised planning applications which have been submitted for the main area of Bourne End is expected early in 1981.

Blackman & Conrad in deficit

LOSSES before tax of Blackman and Conrad were £90,000 for the six months to July 31, 1980, compared with profits of £115,000.

Turnover of the group, which manufactures clothing, plunged from £4.08m to £2.48m. There will be no interim dividend—no payment has been made since a single of 1.375p in 1977. Last year the group made a pre-tax profit of £180,000.

There was no tax charge for the half-year, against £60,000 last time. The directors say trading conditions have been difficult and there is little sign of improvement.

MINING NEWS

Gencor's R120m gold expansion

BY KENNETH MARSTON, MINING EDITOR

WHILE SO many observers appear these day to have lost their faith in the future of the gold price, tha South African General Mining Union Corporation (Gencor) group is becking its confidence in gold to the tune of a R120m (£68m) expansion involving four of tha group's mines.

Gencor statea that the estimated rates of return on this expenditure "more than meet the financial criteria of the groop based on an average real terms gold price nf $580 per ounce." In other words, Gencor is expecting the price to move forward again

. The four mines concerned are Grootvlei, Kinross, Winkelhaak and St. Helena. Shareholders will be pleased to learn that much of the varioua capital expenditures planned will be met ont of tax defermeot end bridging finance "to ensure thet there is no undue impact on future dividend distributions."

Grootvlei is to spend R24m in raising its monthly ore milling capacity to 160,000 tonnes from the present 145,000 tonnes hy 1983. Providing the gap hetween gold prices and working costs remaina at present levels the mine—which started production back in 1938—should have a life in excess of 10 years from 1983.

Payable ore reserves et Kinross have been enlarged thanks to tha higber gold prices. The mine'a monthly milling rate is to be raised to 165,000 tonnes from 133,000 tonnes by 1984 at a cost of R45m.

Winkelhaak ia to spend R20m to lift throughput to 200,000 tonnes a montb (curreotly 180,000 tonnes); there are oow large payable reserves of low grade ore at No. 3 abaft plus further potentially payable reserves in the northern aod eastern areas of the mining lease.

At a cost of R30m improved and increased treatment fecilities are to be installed at St. Helene which also handles ore from the Unisel mine. The work should be completed in the last quarter of 1983. Unisel's toll milling fee will be increased to service the increased capital invested on its behalf by St. Helena.

Inco's Canada uranium find

THE SUMMER drilling programm et the McClean uranium prospect, jointly-owned hy Inco and Canadian Occidental Petroleum, in northern Saskatchewan has ontlined an estimated 390,000 tonnes of mineralisation averaging a relatively low 1.8 per cent uranium oxide. The companies pointed out that thia gave a drill-indicated reserve of 14m lbs of uranium oxide for the McClean North and South zones.

Studies are being carried out to find the hest method of mining the deposit which occurs under a cover of 500 feet of sandstone. A total of 419 boreholes have been drilled in the aree of tha deposit and further surveys are planned to help define additional drilling targets in the McClean Lake area.

BASE LENDING RATES

A.B.N. Bank	14 %	■ Guinness Mahon	‡14 %
Allied Irish Bank	14 %	■ Hambros Bank	14 %
American Express Bk.	14 %	C. Hoare & Co.	†14 %
Amro Bank	14 %	Hongkong & Shanghai	14 %
Henry Ansbacher	14 %	Keyser Ullmann	14 %
A P Bank Ltd.	14 %	Knowsley & Co. Ltd.	16 %
■ Arbuthnot Latham	14 %	Langris Trust Ltd.	14 %
Associetes Cap. Corp.	14 %	Lloyds Bank	14 %
Banco de Bilbao	14 %	Edward Manson & Co.	15 %
BCCI	14 %	Midland Bank	14 %
Bank of Cyprus	14 %	■ Samuel Montagu	14 %
Bank of N.S.W.	14 %	■ Morgan Grenfell	14 %
Banque Belge Ltd.	14 %	National Westminster	14 %
Banque du Rhone et de la Tamise S.A.	14½%	Norwich General Trust	14 %
Barclays Bank	14 %	P. S. Refson & Co.	14 %
Bremar Holdings Ltd.	15 %	Rossminster	14 %
Brit. Bank of Mid. East	14 %	Ryl. Bk. Canada (Ldn.)	14 %
■ Brown Shipley	14 %	Slavenburg's Bank(NV)	14 %
Canada Perm't Trust	15 %	E. S. Schweb	14 %
Cayzer Ltd.	14 %	Security Trust Co. Ltd.	15 %
Cedar Holdings	14 %	Standard Chartered	14 %
■ Charterhouse Japhet	14 %	Trade Dev. Bank	14 %
Choulartons	15 %	Trustee Savings Bank	14 %
C. E. Coates	14 %	Twentieth Century Bk.	14 %
Consolidated Credits	14 %	United Bank of Kuwait	14 %
Co-operative Bank	*14 %	Whiteaway Laidlaw	14½%
Corinthian Secs.	14 %	Williams & Glyn's	14 %
The Cyprus Popular Bk.	14 %	Wintrust Secs. Ltd.	14 %
Duncan Lawrie	14 %	Yorkshire Bank	14 %
Eagil Trust	14 %		
E. T. Trust Limited	14 %		
First Nat. Fin. Corp.	16½%		
First Nat. Secs. Ltd.	16 %		
Robert Fraser	14 %		
Antony Gibbs	14 %		
Greyhound Guaranty	14 %		
Grindlays Bank	‡14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £50,000 12%, and over £50,000 12½%.
‡ Call deposits £1,000 and over 11½%.
¶ 7-day deposits 12%.

EUROPEAN OPTIONS EXCHANGE

Series		Dec. Vol.	Dec. Last	Mar. Vol.	Mar. Last	June Vol.	June Last	Stock
GM C	$50	—	—	1	1¼	—	—	$42
		Jan.		April		July		
AKZO C	F.18	—	—	7	3.20	—	—	F.17.40
[illegible]								

TOTAL VOLUME IN CONTRACTS 1091
A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

(Dec. 18 Total contracts 477)

Option	Ex'rcise price	Jan. Closing offer	Vol.	April Closing offer	Vol.	July Closing offer	Vol.	Equity close
BP	350	76	1	88	2	—	—	428p
[illegible]								

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

There were a number of fresh developments in the Bids and Deals sector, the most significant of which was Dallas-based Ensereh Corporation's surprise bid for Davy Corporation, Britain's largest engineering contractor. For every 100 Davy shares, the U.S. energy group is offering four of its own shares and $240 of convertible subordinated debenture stock. On the ennouncement of the bid, the offer valued each Devy share at 190p and placed a price tag of £143m on the group.

Elsewhere, Fitch Lovell, the Key Markets and food processing group, made an egreed bid for Joseph Stocks, the butter and bacon importer and wholesale provisions distributor. Fitch is offering 17 of its own shares for every eight Stocks shares, valuing the latter at £3.88m.

Nesco Investments is offering 30p per share for the outstanding equity of Colmore Investments after having increased its stake in the latter to 18.3 per cent last Mondey.

Starwest Investment, a private compeny, launched a surprise bid for Hawthorn Leslie, the former shipbuilder, now an electrical distributor. Starwest bought a 35.3 per cent stake in Hawthorn in the market at 130p per share on Thursday and extended an offer for the remaining shares.

Mr. James Gulliver's Argyll Foods intimated an offer for Oriel Foods, owned by the RCA Corporation of the U.S. Due to the size of the prospective ecquisition, dealings in the shares of Argyll were suspended at 79p and they will remain frozen until detaila of the bid are ennounced.

Heron Corporation ia expanding its activities in the U.S. financial field with the planned acquisition, for $10m, of Western American Mortgage Company.

Allied Breweries paid £11.6m for en 11.2 per cent stake in Tooth, one of Australia's leeding breweries. The steke wes acquired during heavy trading in which more than half of Tooth's capital changed hands within a short period. Allied steted that it bought the atake es an investment.

Baheo, the Swedish power tool manufacturer, made a 37p per share cash bid for Record Ridgway, valuing the loss-making Sheffield-besed hand tool maker at £4.13m.

Two of the world's largest insurance brokers are planning to merge. The two compenies are Sedgwick Group, the UK's largest independent broker, and Alexander and Alexander of the U.S., the world's second lergest inaurance broking company. The merger is expected to be completed by the beginning of 1982.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Aberdeen Invs.¶¶	100*	172	86	2.00	Aitken (Eng.)	—
Armitage Shanks	110½§	117	108	29.59	Blue Circle	—
Attwd. Garages¶¶	80*§	68	62††	0.42	British Car Auction	—
Central Man. and Trad.	49†	51½	40	11.23	Hanson Trust	—
Colmore Invs.	30*	30	30	12.0	Nesco	—
Cornell Dresses	18*	75	124	0.57	Polly Peck	—
Davy Corp.	190§§	171	149	143.6	Ensereh	—
Dorrington Invs.	125*	124	114††	7.62	Hanover Acceptances	—
Eng. & Overseas Invests.¶¶	12½	12	14½††	1.28	Pentos	—
Giltspur	135	130	117	25.43	Unigate	—
Gosforth Inds.	43§§	38	38	7.88	Fergusn. Inds.	—
Hawthorn Leslie	130*	132	107	3.49	Starwest	—
K Shoes	95*	103	80	22.4	C. & J. Clark	—
Laurence-Scott¶¶	68§	56	60	4.86	Mining Supplies	—
Macanie (Lond.)	30*	30	23	0.38	Courtaulds	—
Mallinson-Denny	83§	75	61½	44.21	Brooke Bond Liebig	—
Record Ridgway	37*	37	20	4.13	Bahco	—
Reowick	65	73	50	5.84	AAH	5/1
Royco	60*	55	48	3.00	Bonorpark	—
Stocks (J.)	153	150	102	3.83	Fitch Lovell	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 18/12/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
BOC Inter.	Sept.	61,500	(72,700)	13.3	(13.2)	4.62	(4.2)
Borthwick (Ths.)	Sept.	10,500L	(7,340)	—	(8.5)	0.01	(6.2)
Cowie (T.)	Sept.	1,250	(2,110)	8.8	(16.2)	3.0	(3.0)
Crean (James)	June	2,220†	(1,980)†	21.5	(19.0)	5.83	(6.0)
Greenall Whitley	Sept.	20,120	(17,010)	22.7	(19.6)	6.25	(5.25)
Hawkins & Tipsn.	Aug.	268	(459)	—	(3.1)	1.0	(1.0)
Homfray	Sept.	4,270L	(1,080)L	—	(—)	—	(1.0)
Irish Distillers	Sept.	6,300†	(8,830)†	14.8	(18.2)	3.06	(3.06)
Jackson (J.H.&B)	Sept.	2,980	(3,024)	7.3	(9.7)	1.55	(1.4)
Kelsey Industries	Sept.	2,840	(2,240)	35.7	(23.3)	8.0	(6.0)
Lee (Arthur)	Sept.	719L	(1,950)	—	(8.5)	0.44	(1.69)
Leech (William)	Aug.	3,550‡	(2,340)¶	18.5‡	(13.3)¶	9.9‡	(5.64)¶
Marley	Oct.	15,032	(22,071)	4.5	(8.8)	2.25	(2.0)
MEPC	Sept.	20,990	(14,060)	7.5	(6.0)	5.75	(8.21)
Nottingham Brick	Sept.	606	(641)	22.1	(14.2)	6.62	(6.02)
Plaxtons	Sept.	3,860	(3,320)	37.6	(38.8)	8.5	(7.25)
Ransome Hoffmn.	Oct.	11,020	(5,270)	27.8	(13.3)	5.46	(4.9)
Record Ridgway	Sept.	262L	(238)	—	(1.4)	0.1	(0.1)
Redfearn Glass	Sept.	1,790	(3,300)	21.3	(46.7)	10.56	(16.55)
Redman Heenan	Sept.	2,850	(3,410)	14.3	(15.2)	4.2	(4.0)
Serck	Sept.	3,020	(1,600)	3.2	(3.9)	3.4	(3.4)
Silverthorne	Sept.	266	(274)	4.4	(5.5)	1.5	(1.5)
Spencer Clark	Sept.	610	(562)	11.2	(10.2)	2.7	(2.6)
Unochrome	Sept.	1,070	(860)	3.8	(2.8)	0.65	(0.4)
Utd. Scientific	Sept.	5,270	(4,050)	15.4	(11.5)	5.0	(3.65)
Ward (Thos. W.)	Sept.	15,649	(15,090)	20.8	(23.6)	6.52	(6.21)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
ACC	Sept.	3,040	(5,700)	1.5	(3.1)
Airfix Industries	Sept.	2,350L	(525)	—	(—)
Bishop's Stores	Sept.	412	(804)	2.0	(2.0)
British Steam	Sept.	1,330	(1,530)	2.0	(1.5)
Caffyns	Sept.	82L	(245)	2.2	(2.2)
Chapman (Blhm.)	Sept.	567	(296)	2.0	(1.63)
Cropper (James)	Sept.	225	(413)	1.0	(1.5)
Distillers	Sept.	77,800	(80,800)	3.0	(3.0)
Ellenroad Mill	Sept.	139L	(214)L	—	(—)
Esperanza	Sept.	2,030	(1,400)	2.5	(2.5)
FMC	Oct.	206	(630)	—	(—)
Fobel Intl.	June	133	(385)	0.95	(0.94)
Geevor Tin	Sept.	147L	(375)	—	(2.8)
Kennedy Smale	Sept.	501	(337)	2.1	(1.4)
Latham (James)	Sept.	126	(748)	3.35	(3.35)
LMS	Sept.	3,190	(3,130)	0.36	(0.3)
LRC Interntl.	Sept.	3,420	(3,230)	0.7	(0.7)
Marston Thmson.	Sept.	2,610	(3,080)	0.63	(0.63)
Meyer (Montague)	Sept.	3,080	(9,270)	1.75	(2.25)
Mitchell Somers	Sept.	127L	(684)	—	(1.75)
Mook (A.)	Aug.	501L	(955)L	—	(—)
NCC Energy	Sept.	377L	(206)L	0.4	(0.35)
Plysu	Oct.	685	(1,240)	0.68	(0.68)
Premier Cons. Oil	Sept.	666	(82)	—	(—)
Rediffusion TV	Sept.	2,820	(400)	15.0	(—)
Scott (David)	Sept.	97L	(325)	—	(—)
Shaw & Marvin	Sept.	76L	(45)L	—	(—)
Unigate	Sept.	14,500	(18,300)	2.2	(2.0)
Wheway Watson	Oct.	691L	(219)	—	(0.45)
Whitecroft	Sept.	575	(2,440)	1.25	(2.5)
Wight Holdings	July	480L	(240)	—	(1.85)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated. † In Ir£. ‡ Figure for 18 months. ¶ Figure for 78-79. L Loss.

Rights Issues

Royal Insurance—Rights issue on the hasis of one for four at 320p per share to raise 116.3m.

Scrip Issues

Greenall, Whitley: One for one.

Westpool Investment Trust: One ordinary 25p share or one 30p deferred share for every two ordinary held.

Bell & Sime setback

DESPITE an increase in sales from £2.35m to £2.45m in tha first half year ended October 31, 1980, Bell and Sime, Dundee-based timber importer and sawmiller, reports pre-tax profits of £29,956 against £115,668 in the first half of last year.

Current trading conditions show no sign of improvement but in spita of the diminishing number of building contracts, the group is securing a reasonable share of available business and continues to seek expansion of its activities wherever possible, the directors report.

The interim dividend is being maintained at 1.75p but a final at last year'a level of 5p will depend on second half results and trading prospects at the end of that period.

The first half profit is struck after interest of £107,407 compared with £55,379. Tax takes £3,375 (nil) with stated earnings per share down et 6.43p against 29.45p.

NAME CHANGE

It is proposed that the name of Anglo American Asphalt Company be changed to A.A.A. Industries, a name which includes the initials by which the company is often identified and which are also the initial letters of two of the present operating subsidiaries, Agil Holdings and Alroil-Flaregas.

Batleys expands midway

PRE-TAX SURPLUS of Batleys of Yorkshire, cash and carry wholesaler, expanded from £419,945 to £511,852 for the half year ended October 25, 1980, on turnover ahead to £49.21m against £40.81m.

The interim dividend is effectively increased to 0.5p (0.43p) net per 10p share—last year's final was 1.56p, paid from profits of £1.03m (£610,262).

Basic earnings are shown as 5.14p (4.56p), and 3.64p (3.23p) fully diluted, after tax well up from £23,947 to £68,803.

There was an extraordinary credit of £76,657 for the period being tha gain on the sale of tha company's wine and spirit operation, after which the attributable balance was £519,706 against £395,998.

SCOTTISH METROPOLITAN

The £3m of 6.5 per cent convertible first mortgage debenture stock 1998-2003 advanced by Guardian Royal Exchange Assurance Group to Scottish Metropolitan Property Company in December, 1973, has been converted by GRE into 4.49m ordinary shares.

Following the conversion, GRE will hold 13.21m shares (22.54 per cent) of Scottish Metropolitan.

SPAIN

December 19	Price %	+ or −
Banco Bilbao	249	
Banco Central	275	−2
Banco Exterior	227	+2
Banco Hispano	230	−2
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	282	
Banco Urquijo	185	+1
Banco Vizcaya	263	
Banco Zaragoza	204	
Dragados	85	+1
Espanola Zinc	45	+1
Fecsa	59.2	+0.2
Gal. Preciados	22	−1
Hidrola	68	+0.3
Iberduero	61.2	+0.8
Petroleos	80	
Petroliber	100	
Sogefisa	102	
Telefonica	81	+0.5
Union Elect.	66.2	

Phillips Patents loss increases

THE FACTORY at Bury of Phillips Patents (Holdings) was mainly responsible for a group loss of £187,852 for the half-year to August 30, 1980, compared with a loss of £111,025 last time. Turnover was up slightly from £2.23m to £2.51m.

The group, which manufactures components in rubber and allied materials for the footwear and other industries, pulled up at the last year-end to make a pre-tax profit of £17,931. The slide back into the red is attributed to the country's economic problems.

No interim dividend will be paid, but the board will consider payment of a final in the light of the year's results. The 1979-80 net dividend was 1p. The directors say that although the group has been through a bleak period, there is reason for cautious optimism.

Mr. J. A. Rowland-Jones, chairman, says the heavy losses at Bury were a result of delays in transferring production to a new factory in the town, together with the failure to secure expected contracts.

At Manchester, the factory's downturn in profits reflects trading conditions generally, he adds. But following plans to condense the area occupied by its manufacturing processes, together with an upturn in trade, the factory could break even by the end of the financial year.

The subsidiaries Baby Deer and Kenilworth Components have found trading difficult, but there has been some improvement since the half-year in the period leading up to Christmas. Kenilworth has recently been awarded damages of £49,000 plus costs in the High Court which will be included in the annual results.

The group paid no tax for the first half. A small profit arising from the property development company was excluded from the results.

Rowland-Jones (Holdings) expects to complete shortly the sale of a site at Bournemouth, which Mr. Rowland-Jones says should help to make a substantial improvement by the year-end.

54 companies wound up

Compulsory winding up orders against 54 companies have been made by Mr. Justice Slade in the High Court. They were:—

The Hanover Tile Fireplace Company, Modern Formwork and Steelfixing, J. Pearson-Smyth, Cranemanor, Tilehint, Islestall, Lampeter Meat Company, Dircot, Leaseland.

Salsola Whitbro, Naverblue, Des Greene Direct Export Services, Scan Arrow, Conelm, D. I. Stones (Gowns), Glolask, Kempston Construction, Primers Transport Services, Milsom Films.

Homecharm Gardeners, KMC Travel and Transport Consultants, Graeme Bentley and Sons Steel Merchants and Builders, Gengis, Steinsby Print Finishing, Edward A. Jay and Sons, Annunciator and Alarm Systems, Dry Air Systems, GGM and Co. (Doncaster), Trio Television Warehouses.

Clayton Paper Converters, Beers Bern Stud, Draftmalo, Pembos and Claude, Mike Carter Auctions, Hallspedition, Anchor Extrusions.

Walker Garage (Sunderland), Rush Contract Hire, Marstell Finance, Glade Builders, Ward Young Holdings, Help 24 Hours Plumbing Services, BJW Landscape Architects.

Wessexals, Tromblend, Kentonia, Turngrin, Selterns Developments, FBJ Products (Metalwork), Emecon Kiosks, Slingreel, Haveoek, Zorest, and Taunton Carpet Centre.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
130	30	Airsprung Group	37	+2	6.7	18.1	5.1
59	21	Armitage & Rhodes	29	+1	1.4	4.8	11.9
184	122	Bardon Hill	184	+4	8.7	5.3	6.9
100	63	County Cars 10.7% Pf.	82	—	15.3	18.7	—
101	63	Deborah Services	66	+1	5.5	5.7	4.8
126	88	Frank Horsell	118	+7	7.9	6.8	3.6
129	80	Frederick Parker	81	—	11.0	18.0	2.8
155	74	George Blair	75	+1	3.1	4.1	—
89	60	Jackson Group	71	+1	7.0	9.9	3.8
153	103	James Burrough	122	—	7.9	6.3	10.0
313	242	Robert Jenkins	313	+1	31.3	10.0	3.5
51	30	Scruttons "A"	51	+1	5.3	10.4	3.7
232	175	Torday Limited	221	+1	15.1	6.8	3.8
34	10	Twinlock Ord.	13	+1	—	—	—
90	70	Twinlock 15% ULS	79	—	15.0	18.0	—
66	23	Unilock Holdings	26	+1	3.0	8.3	5.5
101	42	Walter Alexander	76	—	5.7	3.8	7.5
245	136	W. S. Yeates	245	+3	12.1	4.9	4.0

CORAL INDEX: Close 465-470 (unchanged)

BOOKS

● The most exciting book of 1980? For my money, **The Russian Empire** by Chloe Obeleosky (Jonathan Cape, £9.95). From ghostly views of St. Petersburg, through all the drama of a seething humanity, to the Oriental fantasies of Central Asia, there is barely one theme associated with the pre-Revolutionary Russian "greats" of music and literature that cannot find an echo here.

The 500 photographs are a microcosm of Russian 19th century life—what another reviewer called the pictorial accompaniment to Tolstoy, Chekhov and the rest.

I found only two pictures I knew—the rest were a revelation. Apart from its historical value, it is a book rich in suggestion and imagination, prompting such questions as "What was that man like? What was his life? What is someone like that doing in that picture?" etc. Max Hayward's introduction is as brilliant a distillation of the subject as I have read anywhere.

For second choice, why not another book of photos—**The Streets of Paris** by Richard Cobb (Duckworth, £7.50 paperback, £18.00 hardback) Working-class Paris has a hard charm all its own, with many corners surviving such as London has long since lost. It is, too, the world of Piaf, Zola, Balzac and Céline.

JOHN DUNSTAN

● I choose **Other Worlds** by Paul Davies (J. M. Dent, £7.50). The quantum theory which was established between 1900 and 1930 revolutionised the way in which the physicist and the mathematician look at the universe. Yet despite this comparative venerability its startling implications have not seeped through to the lay-public. Perhaps this is not surprising as even those who accept it in their laboratory work find difficulty in incorporating it into their everyday thinking.

Dr. Davies, lecturer in applied mathematics at King's College, London, takes us through this sub-atomic world where particles lose their identities or vanish completely. Pursued to its relentless conclusions the theory questions the existence of time and reality and implies that an awesome series of alternative universes may overlap and jostle our own. Is it possible that the universe has no concrete existence until the moment when it *is perceived* by the human observer?

Dr. Davies is a confident guide through these strange borderlands. He eschews jargon and his prose is a model of clarity and elegance.

RAY LARSEN

● I would be surprised if the year's book presented us with a character more intriguing than Misia Sert, whose life and times are so well detailed in **Misia** by Arthur Gold and Robert Fizdale (Macmillan, £9.95). Nor do I imagine that anyone else has been so lovingly and compulsively celebrated in portraits by friends: the book has 17 colour plates showing Misia as seen by Toulouse-Lautrec, Vuillard, Bonnard, Renoir, Vallotton (Renoir no sooner finished one fondant picture of her than he started another, urging her the while to expose her breasts—in the cause of art and flesh-tones). The scene is Paris, from the Belle Epoque until the middle of this century. Centre stage is Misia Godebska / Natanson / Edwards / Sert: marrying the dubious Levantine Edwards in order to save her first husband, the unwise Natanson, from ruin; forced to leave Edwards to the mercies of the unspeakable Lantelme, and only just escaping the attentions of that lady herself; falling for Sert and his acreage of sub-Tiepolos, and duly surrendering him to a girl whom she adored, the deeply tiresome Roussy Mdivani.

Around Misia circles a cast which seems to include everyone from Liszt to Eddy Duchin, by way of Chanel and Diaghilev. The story is told with a good nose for gossip, and a fine taste for the macabre passions involved. Events are by turns hilarious or pathetic—sometimes both. And what more sad than Misia's death-bed avowal: "Tu sais, ce n'est pas beau, la vie," as she lay, dreading the arrival of the magpie-chattering Chanel. (The last visit from Claudel was probably equally resistable. He recorded in his diary "She looks astonishingly young. She has fulfilled all her religious duties" and went on to detail the disposition of her fortune). If it was not beau, it was certainly a life. And one brilliantly told by Gold and Fizdale.

CLEMENT CRISP

● *For* military buffs, E. M. Spiers' **Haldane: An Army Reformer** (Edinburgh University Press 1980, £10.00) a seemingly modest monograph of first rate importance. Those with access to a long-lending public library, **Winston S. Churchill: Companion Vol. V** (Heinemann, £45.00) **Part I The Exchequer Years 1922-29.** Churchill is out of fashion these days and Martin Gilbert is engaged in a thankless task but there are marvellous rewards for the discriminating reader. Walter Laquer's **The Terrible Secret** (Weidenfeld and Nicolson, £8.95) for raising questions which will not vanish with the Christmas pudding.

ZARA STEINER

My Book of the Year

Our reviewers choose the books published this year they have most enjoyed reading

● Dear Literary Editor,

You ask me to nominate the book that gave me most pleasure in 1980, "but avoid choosing books by a close personal friend, colleague, relation, spouse or lover." This infantile act of sexual repression leaves me no alternative but to select **Freud, The Man and the Cause**, a case study by Ronald W. Clark (Weidenfeld and Nicolson, £9.95). Was Freud's life an ego-trip? Why did he seek to suppress his personal Id by destroying his early records? Did he have, if the Financial Times does not find the word taboo, a penis to envy? Who were the Rat Man and the Wolf Man? Were they Jung and Adler sublimated? Clark's analysis of his complex subject takes the reader far beyond the pleasure principle and into the interpretation of dreams.

Yours etc.,

(OEDIPUS) REX WINSBURY

● My reading time is disproportionately spent on theatrical biographies and autobiographies and other thespian literature, though I always go for a new Graham Greene when there is one. This year's Graham Greene is no good; on the other hand he did give us a good farce which only the Leicester Haymarket had the courage to present. So it's back to the theatre for my choice. I intended to choose John Gielgud's **An Actor and His Time**, but that belongs to last year, I find (and the author's inscription in my copy seems to be dated 1976, something I won't try to explain). I hear Sir John on the radio again on Sunday evenings: Later Stages will have to come next year, however. So I arrive at a choice I'm very glad to make, Ingrid Bergman's **My Story** (Michael Joseph, £9.50)—truthful, interesting, sympathetic, human, as likeable as its author.

B. A. YOUNG

● The *pleasure* of **The Crow Eaters** (Jonathan Cape, £5.95) is *perhaps increased by its* unexpectedness. A first novel by a Pakistani wife and mother, Vatsi Sighwa, about a Parsi called Faredoon Junglewallah, set in pre-World War II Lahore. Hardly an obvious subject for delight. Yet this is a richly comic and ambitious novel, two characteristics often sadly lacking from European offerings.

Faredoon, or Freddy as he is commonly known, is described at the outset as "a strikingly handsome, dulcet-voiced adventurer with so few scruples that he not only succeeded in carving a comfortable niche in the world for himself but he also earned the respect and gratitude of his entire community."

The book proceeds through his life with a glorious variety of set-pieces. One of the most enjoyable is Freddy's attempt *to receive fire insurance by* burning his hated mother-in-law, Jerbanoo, and his profitless shop in one vast conflagration. The comments of the Irish fireman who tries to persuade the hysterical Jerbanoo onto his turntable are memorable. Other excellent characters include Khan Babadursu Norshirwan Jeeranjee Easymoney, the lascivious Anglo-Indian schoolgirl, Rosy Watson and the drop-out son, Yazdi.

RACHEL BILLINGTON

● Front parlours in Swansea were thrown open for "our sociologist" when Diana Leonard explored its secrets in 1968. So were bottom drawers (containing vast quantities of pillow cases, innumerable fruit spoons and, once, a chrome sandwich plate stand), photograph albums (four characteristic pictures are shown), books of instruction ("wear your wedding shoes around the house to break them in") and official dossiers (those on consent to marriage of minors were found in the annual Criminal Statistics, between "Orders to destroy dogs" and "Indecent photographs etc."). To this stranger folklore was explained, confidences entrusted, gossip mongered, amazingly freely for such an intimate society ("... when I told her that Harry was a Swansea boy, we just sailed on from there ..."). Racy interviews are bolstered by exact, astonishing tables ("circumstances of meeting future spouse: compare Perry on the importance of the bicycle in extending nineteenth century Dorsetshire courtship") and exemplary diagrams (three-tier wedding cake; seating at typical reception, with sociologist placed by minister's wife). The sociology is not intrusive: Diana Leonard's investigation of the "norms, values and rituals *associated* with getting married" evidently held no terrors for her garrulous subjects; it is enormous fun for us. It is all in **Sex and Generation: A Study of Courtship and Weddings** by Diana Leonard (Tavistock Press, £12.50).

JANET MORGAN

● Old wars seem to have occupied much of my time this year—a trip to the Somme battlefields highlighted books like Lynn Macdonald's **Roses of No Man's Land** (Michael Joseph, £10.00), much more than a story of Red Cross nurses in World War I, but a terrifying record of what Sassoon called "the hell where youth and laughter go." *My other choice is* **The Penguin Book of Spanish Civil War poetry** (Penguin £2.95)—again, high hopes and shattered ideals, and a valuable history of that "armed rehearsal for World War Two."

ALAN FORREST

● I did not envy the Booker Prize judges who had finally to choose between two outstandingly good novels published this year, William Golding's **Rites of Passage** (Faber & Faber, £5.95) and Anthony Burgess's **Earthly Powers** (Hutchinson, £6.95). In the event, the prize went to Golding for his cunning reworking of the manner of the epistolary novel, charting the progress of a long sea voyage under sail, as seen by two of the passengers. I would endorse the judge's decision on grounds of sheer artistry, but how can one discount Burgess's half-million words of fertile energetic writing describing the triumphant progress of a popular literary entertainer not unlike Somerset Maugham? His hero, Kenneth Toomey, was in on everything and everyone—and as such his rise to eminence and riches is a history of our time. Both books are fine specimens of the novelist's art and either would have been a worthy winner of this prestigious prize.

ANTHONY CURTIS

● Nineteen-eighty, I think, has not been a very good year for imaginative writing; but biography has done well. In that field, two books I have particularly enjoyed are **Sidney Smith** by Alan Bell (Oxford University Press, £9.95), a careful portrait of one of the brightest luminaries of the Holland House circle: and **Tennyson: The Unquiet Heart** by Robert Bernard Martin (Oxford University Press and Faber, £12.95); which describes the origins and development of the great Victorian Laureate, who confessed that he had "nothing to say," but asserted that, since Shakespeare, no other English poet had had such a mastery of the language.

PETER QUENNELL

● David Lodge's sixth novel **How Far Can You Go?** (Secker and Warburg, £5.95) is remarkable in several ways: it has not one nor even two or three central characters but ten of equal importance: it starts in 1952 and ends in 1980 and gives witty and honest pictures of several layers of English society in the years between: and most unusual of all these days it has not only several plots but a theme—the change and decline of English Catholicism. That may sound worthy and tedious yet the book is actually quick and sharp and thoughtful.

CHRIS DUNKLEY

● The political book that I most *enjoyed this year was* **How to be a Minister** by Gerald Kaufman (Sidgwick and Jackson, £7.95), the Minister of State for Industry in the last Labour Government.

The book is about exactly what the title says. Anyone who follows the advice, as the author admits that he did not always do himself, would be a very good Minister indeed and probably Prime Minister shortly thereafter. But what is so remarkable is the style. There is a superb use of irony and deliberate understatement, and not the slightest trace of pomposity or bitterness. Mr. Kaufman *is* not in the least didactic; he just tells you what politics and office are about from the inside. In the course of it, he is rather more revealing than others who have been less discreet.

The Labour Party nowadays appears to be full of literary talents. Mr. Kaufman outstrips them all.

The book that gave me most pleasure was **The Oxford Book of Contemporary Verse 1945-1980** (Oxford, paperback £3.50). I used to think that modern verse stopped at Eliot; anything that came afterwards tended to be either very bad or very obscure. The collection here suggests that it is both very good and usually intelligible. I am particularly grateful for having been introduced to the poems of Patricia Beer.

MALCOLM RUTHERFORD

● **Smiley's People** (Hodder & Stoughton, £5.95) by John le Carré is undoubtedly the book of 1980 that I most enjoyed reading. As an addict both of le Carré and of George Smiley since their joint début in "Call for the Dead" some 20 years ago, I find it hard to account rationally for my addiction. Two reasons must suffice: one is the uncanny feeling for the Zeitgeist displayed by the author. Smiley does not appear to change much with the years, but in fact he, as well as his surroundings, evolves constantly from book to book. Secondly, le Carré is spectacularly adept at producing the illusion that Nature follows Art.

ELIZABETH FORBES

● The two books I have most enjoyed this year are a first novel, **The Colonist**, by Michael Schmidt (Muller, £5.95), and a collection of poems, **Exactions**, by C. H. Sisson (Carcanet, paperback only, £2.95).

Schmidt's novel is one of those that comes out of an unknown author. He shapes it, works at it—but, obviously, it bewilders him. It is a solution to some profound personal problems, but one that in no way obtrudes upon the reader, who is merely delighted. **The Colonist** tells the story of a boy's first 16 years in his own words. He grows up in Mexico, and experiences through at first innocent and then more sinisterly knowing eyes all the severe problems of that strange, beautiful and hypocritical country. This is certainly a classic—whether a minor one or not hardly matters. It seems that most others who read it agree with me.

C. H. Sisson did not gain recognition as a poet (I will not say a major poet, because he does not think in these terms) until a few years ago, when he had reached 60. He writes with great rhythmic power from a position of profound spiritual modesty. His roots are in the 17th century and the thoughts of St. Augustine: but he knows at what time and in what place he is living, so that his poems often have a passionate, rich, mellow bitterness.

MARTIN SEYMOUR-SMITH

● *After the peripheral* excitement of **The Honourable Schoolboy**, *John le Carré shifts* with **Smiley's People** (Hodder and Stoughton £5.95) into a *slower* but more powerful gear. The plot is fine, at first seemingly too fine to support so weighty a mass of reflection and speculation. But, as its underpinning logic becomes progressively clearer, the story moves towards a climax so strong that I cannot remember having read the closing pages of any book so avidly.

Approached directly, this may seem an inadequate book, certainly an odd one with its almost *fetishistic* devotion to the myths and characters of Smiley's world. But approached as a culmination to the preceding Smiley tales, it is as perfect as one might have hoped. The intelligence underworld in all its precisely delineated shades of grey, the small events of great significance, the baffled wisdom of Smiley himself, all move together towards its fitting climax. The only drawback is that it leaves other spy novels one-dimensional in comparison.

ROBERT COTTRELL

● My choice this time is William Anderson's **Dante the Maker** (Routledge and Kegan Paul, £18.00), a very long book on a very large subject—the writer Ruskin called "the central man of all the world," who represents in perfect balance "the imaginative, moral and intellectual faculties all at their highest." Though close-packed and learned, it isn't a daunting book for the general reader, and you don't have to be a Dante specialist (I am not) to appreciate its richness.

I haven't for a very long time come across a book that opens so many doors, gives such a sense of light, excitement and discovery. On the medieval and mystical background, on the historical context of Dante's work, on creativity itself, on the mind and making of a poet, on the way experience is transmuted into art and the process through which the human Beatrice became the figure Dante made of her in the Divine Comedy—on these and, of course, on many more things it is tirelessly, exuberantly interesting; even the footnotes suggest all sorts of things—new ideas and speculations and comparisons from sources of all ages: including our own—to investigate further.

ISABEL QUIGLY

● **Henri Cartier-Bresson: Photographer** (Thames and Hudson, £25.00) is, undoubtedly, the book I have most enjoyed in the past year. It contains a brief, perceptive introduction by Yves Bonnefoy; virtually no editorial guidance or information; and 155 superb full-page photographs. The photographs have been chosen by Cartier-Bresson himself: they range in time from the late 1920s to the present day, and fairly represent his special kind of artistic genius. Although a Cartier-Bresson photograph always carries the immediacy of a snapshot, it also has a highly-patterned internal structure that comes from Cartier-Bresson's intuitive sense of man's relationship to the physical world. It is a combination of qualities that produces images which manage to be ordinary and rare, mundane and miraculous, at the same time. There are not so many such achievements in modern art that we can afford to ignore the evidence of this splendid book.

PETER KEATING

● Mary Douglas's **Evans Pritchard** (Fontana Modern Masters £2.00) takes the prize for intellectual interest. E. E. Evans Pritchard, a former Wykehamist, united action and intellect as did no other Briton of his age. His years of fieldwork among tribal peoples of the Sudan showed how their religion, even their witchcraft, could be seen to make sense in its social context. British social anthropology is still dominated by his example. Mary Douglas is not always strong on philosophy, but she unravels the questions which he set himself and the differing evidence which he met in his years of primitive living. A clear and challenging book, on a man I would class as our greatest modern historian. British philosophers apart, his is the one towering genius in the Fontana series to date, permanently changing the ways in which men can write about fellow-men of different culture.

ROBIN LANE FOX

● I select **Violets and Vinegar—An Anthology of Women's Writings and Sayings** chosen by Jilly Cooper and Tom Hartmann (Allen and Unwin, £6.95), which can be compared to a sparkling cocktail party where the thoughtful host and hostess have made clear introductions (Elizabeth Barrett Browning however, *is* owed an apology, she was not childless). One shakes hands with a good many people, and one can renew or follow up the acquaintances of the most memorable.

In the end the last guests leave to return to "those comfortably padded lunatic asylums known euphemistically as the stately homes of England."

KATE MORRISON

● The book which gave me the most unadulterated delight this year has been Jan Morris's **Destinations** (Oxford £7.95), a reprint of a series of pieces about places, commissioned by, of all things, Rolling Stone Magazine—not a forum usually associated with stylistic finesse, but whose editors presumably recognised what marked this author out for their own: that inestimable quality of enthusiasm, which carries you along on a flood of anecdote, analysis and anticipation. It is a sparkling collection, demonstrating yet again Ms. Morris's astonishing range of reference, acute eye and ear, and gift for the apt, unlikely, vitalising observation.

MARY HOPE

● Ronald Hayman's **Nietzsche: A Critical Life** (Weidenfeld, £18.50) reveals that Nietzsche, like Pope, could speak of "that long disease, my life," and that his intellect was most piercing when his pain was most acute. Mr. Hayman clearly shows how Nietzsche's iconoclastic ideas ("Everything absolute belongs to pathology") evolved from his rejection of religious authoritarianism and anticipated — as it explained—the spiritual chaos of modern man. He is particularly illuminating on Nietzsche's relationship with Wagner, who recognized the young philosopher's brilliance and saw him as a valuable disciple; and in his exposition of the ideas and influence of the man Heidegger called "the last metaphysician."

JEFFREY MEYERS

● The newly published paperbacks I enjoyed most were **The Coup** by John Updike (Penguin £1.25) and **The Sixth Winter** by D. Orgill and J. Criblin (Bodley Head £5.95, Futura £1.50). This last is a novel about a coming ice age. The climax is a chase across North Eastern Siberia and over an ice-bridge to Alaska to escape from the "Chukchi," a local tribe who lose their Soviet veneer and revert to local customs. This final section is gripping and disturbing and more than makes up for some wooden early chapters.

I would gladly recommend a book on my own subject if I had come across one of sufficient general interest. Lester Thurrow's **The Zero-Sum Society** (Basic Books, Harper and Row £7.95) nearly qualified, but tailed off badly. The most up-to-date study of the paradoxes of egalitarianism and what is now called the theory of positional goods remains Henry James's **The Princess Casamassima** (Penguin £1.95). (It is of course many other things as well.) The clearest light on the English class system is shed by his short story "The Real Thing."

SAMUEL BRITTAN

● I choose **A Verdi Companion** (Gollancz £7.95) edited by William Weaver and Martin Chusid: a book to add to the shortlist of essential items in the now vast literature on the composer and on 19th century Italian opera. A well-varied assortment of essays framed by appendices, an invaluable bibliography, and an even more invaluable "Chronological Timetable" of important dates and events on the *Verdi calendar*, it belongs fitly on the desk and pleasurably on the bedside table: for it both collects and stimulates fresh ideas about Verdi, and offers plentiful leads for their follow-up.

MAX LOPPERT

● Once again I must record that the greatest reading pleasure I have had this year has come from Virginia Woolf's letters, the last volume of which has now been published under the title **Leave the Letters Till We're Dead** (Hogarth Press £15.00). They are as inimitable, scintillating, witty and imaginative and touching as ever, though they end with the tragic last notes preceding her suicide. Her buoyant defiance of the conditions of the war is one of the most remarkable impressions one is left with.

I have also been much impressed by Roy Fuller's new book of poems, **The Reign of Sparrows** (London Magazine Editions £3.95). Roy Fuller is a poet gravely conscious of growing old, but his observations on that condition and on natural phenomena seen from that viewpoint are as subtle and intellectually stimulating as the best he has written throughout his mature life.

JOHN LEHMANN

● All readers who love the traditional body-in-the-library thriller will have welcomed, as I did, the excellent study of the genre's chief exponent, **A Talent to Deceive** by Robert Barnard (Collins, £5.95). Though the book is subtitled "an appreciation of Agatha Christie," it is neither acritical nor adulatory. Himself the author of some first-rate murder stories in the classic mould, Barnard dispassionately examines the usual objections to Christie's works; and at the same time he offers some cogent reasons for their international and enduring popularity. The several well-made appendices to Barnard's essay will make the volume a useful work of reference for amateurs and specialists alike.

Thrillers, happily for their fans, appear at a prodigious pace: but for the reviewer this prodigality creates problems, and at times even the most assiduous and rapid consumer lags behind. So it happened that I was very late in reading H. R. F. Keating's **The Murder of the Maharajah** (Collins, £5.95), which proved outstanding, perhaps my most enjoyable fictional reading of this year. Conceived as a hommage to Agatha Christie, the novel is set in the 1930s, in Mr. Keating's fabulous India. There is a houseparty, of course, which includes some highly improbable Americans very much in the Christie style. All social distinctions are sharply observed. Details of food, popular songs, dress are delightful. And, of course, there's a soundly worked-out baffling plot.

WILLIAM WEAVER

Some last-chance tomes for late present-buyers

BY ANTHONY CURTIS

Now is the time when all good anthologists come to the aid of their publishers. Oxford has an army of them on permanent alert. Three recent present-worthy, or book-token worthy compilations are **The Oxford Book of Verse in English Translation** chosen and edited by Charles Tomlinson (£12.50, 608 pages), **The Oxford Book of Satirical Verse** chosen by Geoffrey Grigson (£8.50, 454 pages) and **The Oxford Book of Contemporary Verse 1945-1980** chosen by D. J. Enright (£7.50, 299 pages). Several publishers have counter-attacked the Oxford putsch, notably Allen Lane with **The Penguin Book of Light Verse** edited by Gavin Ewart (£9.50, 639 pages), a tempting tome that runs from Chaucer to E. J. Thribb; Faber who have also mobilised the erudite Mr. Grigson to edit and introduce their **The Faber Book of Poems & Places** (£6.95, 387 pages), a nice notion arranged by locality; Eyre Methuen with *I Have No Gun But I Can Spit* (Auden's abrasive phrase), an anthology of satirical and abusive verse selected by Tory MP Kenneth Baker; and Dent with **Everyman's Book of Ballads** edited by Roy Palmer (£8.95, 256 pages) which includes the tune in musical notation before each text.

Anthologists of prose and of mixed verse and prose anthologies have been no less industrious. Denys Thompson—one of the founder-contributors to *the Leavis's Scrutiny*—has edited a new anthology of writings on country life, **Change and Tradition in Rural England** (Cambridge £10.50, 291 pages) where neglected writers like Adrian Bell and George Sturt come into their own. John Julius Norwich's **Christmas Crackers** (Allen Lane £8.95, 285 pages) represents ten years of commonplace book selections sent to his friends at Christmas and now gone public. Countrymen and—women should enjoy **John Clare: The Journals, Essays, and the Journey from Essex** edited by Anne Tibble (Carcanet £6.95, 139 pages); likewise train-buffs will want to board Ludovic Kennedy's **A Book of Railway Journeys** (Collins £6.95, 356 pages) where Dickens and Proust rub shoulders with John Cheever and Paul Theroux.

Some of P. G. Wodehouse's most entertaining prose was inspired by his own life. It is a boon to have it all conveniently brought together in **Wodehouse on Wodehouse** (Hutchinson £9.95, 655 pages) containing **Bring on the Girls** (with Guy Bolton), **Performing Flea, Over Seventy.** "Plum" would surely have enjoyed **The Best of Everything** *edited by William Davis* (Weidenfeld and Nicolson, 217 pages) especially Richard Gordon's contribution on Medicine with *answers* to such queries as Best Time to Commit Suicide (May and June but there is a jump over Christmas). **You Can't Keep Out The Darkness** (Bodley Head £4.50, 173 pages) is the title Peggy Woodford has chosen for her anthology of eight stories by various authors, "about lost innocence, about becoming aware of the evil human beings are capable of doing to themselves and each other." A good trauma-filler for a favourite niece?

More cheerfully seasonal, Antony Hippisley Coxe's **A Seat at the Circus** (Macmillan £15.00, 258 pages) is an extensively revised re-issue of an authoritative account of circus techniques as well as history published originally in 1951. Bery Hugill's **Bring on the Clown:** (David and Charles £9.50, 224 pages) is a splendidly got-up picture-book treatment of one colourful aspect of that history. **Incidents in The Life of Joseph Grimaldi** by Giles Neville with paintings by Patricia Neville (Jonathan Cape £4.95, 64 pages) highlights memoirs of the most famous joey of them all. In **By Gaslight in Winter** (Elm Tree Books £9.95, 127 pages) Colin Gordon investigates the world of Victorian lantern-slides, and the Riley Brothers of Bradford who marketed them, with the aid of a beautiful series of plates.

Christopher Fry's Uncle Charlie left Victorian England in 1885 for the antipodes. He kept a drawing-book while there and went on sketching on his return more than 30 years later. His work may be viewed in the delightful **Charlie Hammond's Sketch-Book** (Oxford £5.95, 80 pages) with an introduction by Mr. Fry. **Auntie Mabel's War** compiled by Marian Wenzel and John Cornish (Allen Lane £6.95, 128 pages) is the story of a nurse who served in the First World War in France and the Balkans illustrated by her own copious memorabilia. **Private Tucker's Boer War Diary** (Elm Tree Books £8.95, 192 pages) edited by Pamela Todd and David Fordham is another fascinating testimony of active service handsomely rescued from attic oblivion.

Man Bites Man edited by Paul Sievking (Jay Landesman £8.50, 160 pages) is a facsimile of the newspaper cuttings album of the Edwardian eccentric George Ives containing many curious items. Iona and Peter Opie are back with **A Nursery Companion** (Oxford £8.95, 128 pages), a fine collection of rhymes and stories plus 400 colour illustrations in the garish lithography familiar from the glowing backdrops of Pollock's Toy Theatre play-books.

Old King Cole's Book of Nursery Rhymes (£3.95, 99 pages) and **Denslow's Night Before Christmas** (£3.95, 99 pages) are the latest reissues in the attractive Facsimile Classics Series from Macmillan. Large-type picture books containing traditional Yuletide rhymes and tales with illustrations from pre-war days by the Victorian artist and teacher Byam Shaw, in the first instance, and the American William Wallace Denslow—best known for his illustrations to the Wizard of Oz — in the second.

Competition—Vegetable Loves. A huge number of poems has been received. These are now being judged. Report and results next Saturday.

David White examines the Matra/Hachette merger

Ranging from satellites to manuscripts

IT IS a long time since any business story has had as much impact in France as the news that Matra, a company whose basic activity is making guided missiles, is becoming the principal owner of the sprawling and traditional Hachette publishing empire.

The reaction has been twofold: astonishment at the insatiable appetite of Matra, which collects new branches of technology as if they were pieces of furniture, and bewilderment in the newspaper and book world, and on the political left, at seeing the might of the pen and the might of the sword being grasped by the same hand.

Public opinion was primed for a bid battle over Hachette throughout months of reports of mystery-buying of Hachette shares emanating from the Paris bourse. In the event, there was no battle. The FFr 300m (£28m) operation in Hachette shares had been smooth and calculated: prepared not by Matra but by Banque Privée de Gestion Financère, a merchant bank which until now has been little known except for its involvement in selling parts of Paris to Arabs.

Matra's entry into the deal, from first contact to firm decision, took just 48 hours. M. Jean-Luc Lagardere, the glamour-exuding chairman of Matra, had never heard of Banque Privée de Gestion Financière until last month, when he read about it being behind the share-buying spree in Hachette with a reported stake of 10 per cent. The first time he heard of the bank's chairman was when M. Jean-Luc Gendry made an appointment to see him at 4 pm on December 2.

A fortnight later the two Jean-Lucs had put together a joint plan for controlling Hachette.

That, at least, is the story as M. Lagardere told it this week when he emerged to face the storm of criticism about the new power due to be born unto the French media.

It was the biggest business press conference of the year. Several hundred journalists turned up to hear M. Lagardere's one-man show, delivered largely in the first person and apparently without notes. The Communist Party, which recently decided it should nationalise Hachette as well as the likes of Matra, certainly cannot draw as many people to its press conferences.

The pressures at work in the French Press are a sensitive issue in France these days. An outcry has been caused by the Government's decision to prosecute Le Monde for casting aspersions on French justice. Another controversy simmers over the way M. Robert Hersant has been able to build up a string of right-wing newspapers in apparent breach of French Press Law. And the latest rumours have had Sir James Goldsmith, owner of the weekly L'Express, taking over the Hersant Flagship, Le Figaro.

M. Lagardere says he is a liberal and a democrat and nobody's puppet. His group is a showpiece of the private sector. But it is also inextricably bound up with the state. The French air force has always been its biggest client, and arms contribute two-fifths of Matra's group sales and all the surest source of profit.

State funds play a big role in most of the departments which make up the rest of its annual turnover, now about FFr 8bn—electronic components, space, computers, telecommunications.

In "Europe No. 1," the broadcasting and publishing group which M. Lagardere heads, Matra is associated with a state holding company, Sofirad. The chairman of Sofirad, which, besides Europe No. 1 also controls Radio Monte Carlo and, indirectly, Tele Monte Carlo, is M. Xavier Gouyon Beauchamps, who worked for President Giscard d'Estaing.

Banque Privée de Gestion Financière, which prepared the ground, has three state or para-state banks among its shareholders. It is assumed in Paris that its chairman, M. Gendry, must have received a nod of assent from on high before going ahead and buying up chunks of Hachette stock.

Control of Hachette is to go to a holding company, in turn controlled by Matra. The Merchant bank will make over the 40 or 41 per cent of Hachette stock it has already accumulated to the holding company. There is likely to be little difficulty building this up to 51 per cent. Small shareholders will be offered the highest price—FFr 340—that the shares reached during the time the bank was sweeping them up.

The bank will stay in the new structure alongside Matra with a 19 per cent stake in the new holding company. Paribas, already a shareholder with long-standing influence in Hachette, has agreed to take an extra stake. For the remaining 20 per cent in the holding company, M. Lagardere has brought in the head of what is now France's fourth largest press group, M. Daniel Filipacchi.

M. Filipacchi, a friend and contemporary of M. Lagardere (both are 52), fits cleverly into the new Hachette jigsaw. He has a family connection in that his father was one of the founders of Hachette's Live de Poche, the top French paperback series. Four years ago he took the glossy weekly Paris-Match off Hachette's hands. Hachette had only just bought it and it was making a loss. M. Filipacchi made it work again.

Now he has come back for more. On the basis of a career which includes the launching of Lui, the French Playboy, and a less successful attempt to revive Look! in the U.S. He is expected to take responsibility for the bulk of Hachette's press section, an array of titles which range from TV guides to the weekly news magazine Le Point.

Some of these papers seem destined for revamping, especially the loss-making Sunday, Le Journal de Dimanche. Hachette had a buyer of this paper earlier this year in M. Jean-Charles Lignel, proprietor of a daily in Lyon the electoral fief of M. Raymond Barre, the prime minister. The Hachette Board reversed the agreement and M. Lignel has taken the company to court (so far without success) as a result. The question was already raised at the time of this board decision of possible political strings in Hachette's workings.

How drastic Matra's plans for "modernising" the book and magazine side are, nobody knows, but the powerful Communist printers' union has alredy warned members to show "increased vigilance." More fundamental is the question of what Matra is doing in Hachette at all, a 19th-century company whose distinctly motheaten image contrasts strongly with its own.

"What better brand image for French culture?" says M. Lagardere, broadly sketching Hachette's place in a grand design for an all-embracing communications business, a French CBS. He wants, he says, to complete the "from satellite to manuscript, from the most advanced bit of Matra to the most conservative bit of Hachette."

The deal was made in the same spirit as Matra's other prestige "coups" over the past 20 years. From sophisticated weaponry, the company went into satellites in the early '60s, and later into car bodies. Before he became chairman, M. Lagardere was taking Matra to the Grand Prix circuits and to a hat-trick of victories in the Le Mans 24-hour race in 1972-74. More recently, Matra has branched out into microprocessors, telephones and watches. The latter have been, along with a brief foray into television sets six years ago, one of its less fortunate operations. An ambitious Franco-German watchmaking project has just been shelved.

So Matra set its sights in another direction. The new catchword is communications. M. Lagardere appointed a vice-chairman last year to look after this sector, M. Yves Sabouret—a man who, once more, fits uncannily well into the jigsaw.

M. Sabouret is what M. Lagardere claims not to be, a politician. At 44, he has worked closely with several former Cabinet ministers, and holds two elected posts in Brittany. And—curious coincidence—he is married to an Hachette descendant. Hachette was his wife's mother's maiden name.

Communications in Matra's eyes covers everything from newspapers (it already has one in Alsace, bought early this year) to broadcasting (with its stake in Europe No. 1 and now Hachette's stake in Luxembourg's RTL network) to audio-visual techniques (a small but potentially profitable branch of Hachette). But in future it will be more concerned with computer-related communications, for which the French have invented the word Telematique. It could also potentially concern the contract for a fourth, non-state French television channel—but there again, we run into highly political ground.

Throughout months of Bourse rumours about Hachette, Matra was only one of a list of supposedly eager buyers.

For a long time the favourite — leaving aside outsiders such as a vengeful M. Lignel of the Progres de Lyon, or Baron Edmond de Rothschild, who bought himself a 5 per cent share earlier in the year, or Sir James Goldsmith — was Agence Havas, the state-controlled advertising and travel concern. Some maintain that the final solution is just a more subtle way of exercising state influence. The Government has, it is true, long taken an interest in the affairs of Hachette.

The company that grew up from a Latin Quarter bookshop, started by Louis Hachette in 1826, into the biggest force in publishing and in newspaper distribution has hobbled through a series of mishaps in recent years. Five years ago, Paribas moved in a new chairman, M. Jacques Marchandise, to take over from the great-grandson of Louis Hachette's daughter. He has had to tackle the problems of Hachette's deficit-ridden printing business, breaking up its subsidiary Neogravure — and Matra will have to decide what to do with the pieces.

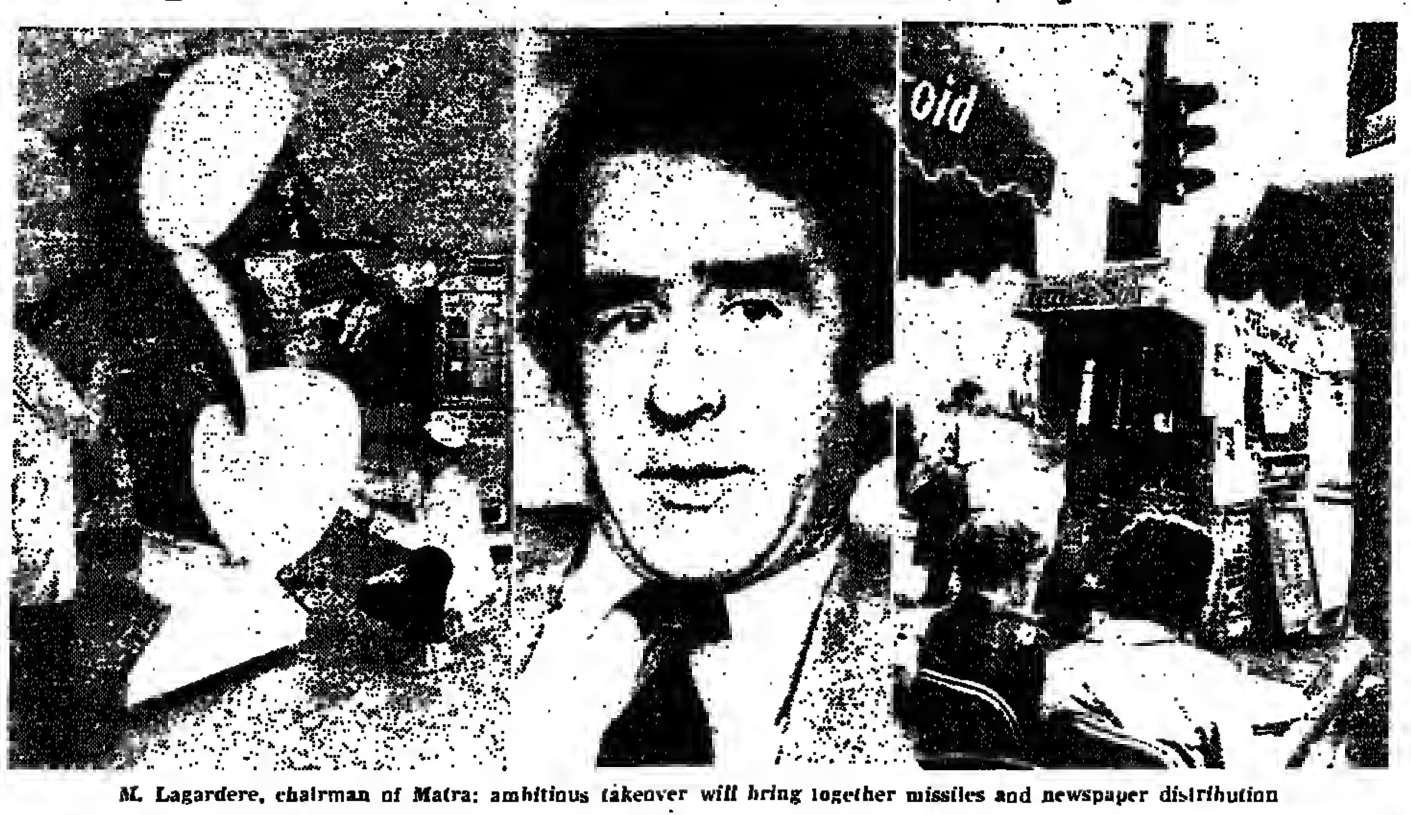
The firm that published Lamartine, Victor Hugo, Gerard de Nerval and Georges Sand is no longer making much profit from books. Its net profits collapsed by half last year and are not picking up.

The desire to make Hachette more solid stems from its key role, not only in the book business — where it has Grasset, Fayard, Stock and other major publishers, and a distribution network accounting for 18 per cent of French book sales — but also in news distribution.

It holds 49 per cent in Nouvelles Messageries de la Presse Parisienne, a quasi-monopoly set up after the war with the controlling stake in the hands of a co-operative grouping all the papers that use it. For a number of papers that would not be able to cover distribution costs on their own, the NMPP is the key to survival.

M. Lagardere insistently proclaims his good faith as regards the variety and freedom of the Press, and the independence of newspaper editors and heads of broadcasting stations. The editor of Matra's newspaper, Les Dernieres Nouvelles d'Alsace, which has a print-run of 238,000, says he has indeed enjoyed total freedom since the takeover.

But the fact that Matra stands so clearly in the Government's favour is enough to arouse misgivings among those who have for some time been suspicious of government ambitions to produce a counter-balance to the opposition Press (and, above all, to Le Monde). It was not, however, a Left-wing journalist who called for "a public debate bringing in all the parties involved — into means of preserving the independence and diversity of the Press media." The call comes in Democratie Francaise, the book President Giscard wrote in office, published four years ago and now largely forgotten.



M. Lagardere, chairman of Matra: ambitious takeover will bring together missiles and newspaper distribution

APPOINTMENTS

Morgan Grenfell executives

MORGAN GRENFELL AND CO. has made the following promotions from January 1. Mr. R. Cort, Mr. P. I. E. Espenhahn and Mr. R. G. Scriven, as directors of Morgan Grenfell Finance; Mr. R. M. J. Taylor, a director of Morgan Grenfell International; and Mr. R. F. Binyon, Mr. R. F. J. Carington, Mr. J. N. Garrow, Mr. E. N. Sbrager, Mr. W. Thomas and Mr. M. G. Ward, to be senior assistant directors, Morgan Grenfell and Co.

Also from the beginning of next year, assistant directors appointed at Morgan Grenfell and Co. are: Mr. N. J. D. Bull, Mr. J. G. Burcham, Mr. A. M. Coppel, Mr. M. R. Cross, Mr. G. N. Dawson, Mr. P. W. Evans, Mr. K. D. Howlett, Mr. G. Owen, Mr. N. E. Palmer, Mr. N. J. D. Ripley, Mr. A. Seton, Mr. K. E. Thomas and Mr. A. Wilkinson.

★

Mr. Alex Halliday is to be appointed to the WIGGINS TEAPE GROUP Board from January 1. Mr. Halliday, who joined the group in 1963, has been a director of Wiggins Teape Limited, the operating company in the UK, since 1979. He will also be appointed territorial director, overseas operations responsible for the group's interests in South Africa and Argentina, with effect from February 1.

Mr. Ian Hendry, at present production director, Wiggins Teape (Belgium) SA, will succeed Mr. Halliday as general manager of Fort William Paper Mill.

★

Mr. Andrew Blakesley has been appointed a managing director of MANCHESTER EXCHANGE TRUST with special responsibility for corporate development. He will relinquish his position as managing director of the ophthalmic division of UKO International on December 31.

★

Mr. G. A. B. Storey, joint managing director of MAGNET & SOUTHERNS, Widnes, retires from the Board at the end of this month.

★

Mr. Joe Morrison has been appointed managing director of the PEGLER - HATTERSLEY valve division. Succeeding him as managing director at Hattersley Newman Hender, Ormskirk, is Mr. David Brooke, who was previously Pegler-Hattersley chief executive overseas marketing. Mr. Brooke retains responsibility for the Ormskirk based export company Newman Hattersley International.

★

Mr. David Chorley has been appointed to the Board of ABRU ALUMINIUM, Launceston, Cornwall, as sales director.

★

Mr. Mervyn Grubb is to join the Board of BOWTHORPE HOLDINGS on January 1 to become executive deputy chairman of the group.

★

Mr. Peter Woolhouse has been appointed deputy managing director of FIELDTECH, which he joined in 1967.

★

Mr. Charles H. Grine, president of Langham Petroleum Limited, the Bermuda subsidiary of Langham Petroleum Corporation, of Houston, Texas, has also been designated temporary president of its London subsidiary, LANGHAM PETROLEUM CORPORATION LIMITED. Mr. Grine replaces Mr. E. Roy Moor, who has resigned.

★

Mr. M. Jennings has been appointed an assistant director of MOCATTA and GOLDSMID, the bullion dealing subsidiary of Standard Chartered Bank.

★

Mr. T. G. Abell has been appointed a director of the EQUITABLE LIFE ASSURANCE SOCIETY from January 1.

★

Mr. James R. Talbot has become a director of NIMSLO EUROPEAN HOLDINGS and he has also been appointed to Nimslo Corporation and Nimslo Limited.

★

Mr. Ian Black is to become finance director of WILSON (CONNOLLY) HOLDINGS from January 1.

★

Mr. H. D. Sutton, previously export manager of SPERRIN TEXTILES, has joined the Board as overseas and export director.

★

Mr. Kenneth C. Snow has been appointed managing consultant (finance) and a director of BAMFORD BUSINESS SERVICES, of Sheffield.

★

Mr. Tom Boardman, formerly managing director of Macdonald Educational, is to become publisher and chief executive of INDEPENDENT TELEVISION BOOKS on January 5.

★

Mr. Alan Nelson, at present director and general manager of Turner & Newall's subsidiary Turners Asbestos Fibres, has been appointed T&N's corporate general manager—planning following the resignation of Mr. W. R. Fairball. Mr. Colin Beck will succeed Mr. Nelson at Turners Asbestos Fibres, but will not take up that appointment until later in 1981. Until then Mr. Nelson will combine his previous position with his new planning duties.

★

Mr. R. D. Cowell has resigned from the Board of UNITED GAS INDUSTRIES following his leaving employment of Hanson Trust. Mr. D. N. Rosling, a director of Hanson Trust, has been appointed a director of United Gas Industries.

★

Mr. K. A. Gilbert has been elected president of the MINING ASSOCIATION OF THE UNITED KINGDOM for 1981 and Mr. D. T. Westlake has become vice-president. Mr. R. S. Dowdell and Mr. A. J. Gorton have joined the council of the Association.

★

Mr. Frank H. Davis joins the board of W. A. TYZACK AND CO. on January 1. He becomes joint managing director with Mr. John Tyzack and together they will be responsible for the executive management of the company.

★

Mr. John Sacks has become managing director of ARENSON INTERNATIONAL following the recent death of Mr. Peter Townshend. Mr. B. L. Southern has been appointed financial director and Mr. P. Rozelaar has been made company secretary.

★

Mr. W. H. Morris has been appointed a director of the SAMPO INSURANCE COMPANY (UK).

★

Mr. Robert C. Carefull, Mr. Dominic E. D. McCarthy and Mr. Peter W. Tuite has been appointed directors of BROWN, SHIPLEY AND CO. from January 1. Mr. Carefull is the bank's chief accountant, Mr. McCarthy is the managing director of Lease Management Services and Mr. Tuite is managing director of Trinity Bank, Dublin, both subsidiaries of the bank.

From the same date Mr. Christopher G. Bomford, Mr. Cornelius J. Deasy and Mr. Stephen P. Hutton will become managers and Mr. Timothy Bacon, Mr. Nicholas Hopper and Mr. John G. A. Liston, deputy managers.

★

Dr. Lawrence Frost has been appointed director of marketing and sales at MATTHEW HALL ENGINEERING. He was previously director of corporate development.

★

The Secretary for the Environment states that to widen the range of outside advice available to him and the PROPERTY SERVICES AGENCY he is asking Mr. Nigel Mobbs, chairman of Slough Estates and the Charterhouse Group, to take over the chairmanship of an enlarged group of experts from the private sector. Further appointments will be announced.

★

Mr. Barry Powney has been appointed financial controller of REDMAN FISHER ENGINEERING, a member of the Redman Heenan International group. He was previously with Lucas Electrical in Birmingham as internal audit manager.

★

Mr. Ron Stockford has been appointed director of finance for WALES GAS in place of Mr. Allan Sutcliffe who has become deputy chairman of the British Gas Corporation's West Midlands Region.

★

Mr. David Palengat, managing director of the LUIS GORDON GROUP, has been appointed to the additional post of chairman. Senor Gregorio Lopez-Bravo, vice-president of Pedro Domecq SA, has become vice chairman of the Luis Gordon Group.

★

Mr. Peter Ball has been appointment by the management board of the ENGINEERING EMPLOYERS' FEDERATION as director of operations from January 1. He joined the Federation in 1970 and has been a deputy director since 1976.

★

Mr. E. T. Regan, head of property department at WILLIAMS AND GLYN'S BANK, has been appointed an assistant general manager.

★

Dr. Neil Cross, Mr. Roger Llewellyn and Mr. Robert Smith are to become assistant general managers of the INDUSTRIAL AND COMMERCIAL FINANCE CORPORATION. The appointments are effective from January 19 and follow the retirement of Mr. Alan Martin and Dr. George Mathewson's appointment as chief executive of the Scottish Development Agency.

★

Mr. D. R. W. Dicks is to retire from the board of HUMPHRIES HOLDINGS and also as chairman of two subsidiary companies, Humphries Film Laboratories and De Lane Lea on December 31, but will continue as a consultant to the group.

Mr. J. C. Jeffrey, managing director of Humphries Film Laboratories, is being appointed a director of Humphries Holdings from January 1. Mr. Colin S. Wills, managing director of Humphries Holdings, who is already a director of Humphries Film Laboratories and De Lane Lea, will be taking over the chairmanship of those two companies at the beginning of next year.

WORLD STOCK MARKETS

Wall St. up 3 on rate hopes

FURTHER GAINS were scored on Wall Street yesterday, reflecting hopes interest rates are near a peak.

By 1 pm the Dow Jones Industrial Average was up another 3.59 to 933.79, making a rise of 16.64 on the week, while the NYSE All Common Index, at $76.60, gained 20 cents on the day and $2.44 on the week. Advances led declines by a three-to-two majority in a volume of 35.32m shares.

The interest rates view was not discouraged by a rise in the Prime Rate to 21½ per cent from 21 per cent by several major banks. Wall Street had expected the Prime would go above 21 per cent but opinion differs on how much.

Meanwhile Michigan National Corporation cut its Prime Rate to 18 per cent from 21 per cent—it said most of its customers are small businesses being hurt by high interest rates.

Michigan National held unchanged at $16¾ bid in over-the-counter trading. Wells Fargo gained a further $¾ to $28½—analysts said it stands to benefit more from a rate decline than most banks. BankAmerica added $¾ at $28¾.

Active IBM firmed $¼ to $64—Attorney General Benjamin Civiletti said that efforts to negotiate a settlement of the Justice Department antitrust suit against IBM have been fruitless.

Gulf Oil slipped $¼ to $45½ but Gulf Canada jumped $1½ to $20½ at the top of the American Exchange active list.—Canadian National Railway declined comment on a published report it was interested in a takeover of Gulf Canada.

Texas Instruments fell $4½ to $116—it will cut work schedules due to slack demand. Sedco slipped $1 to $93½, despite plans for a two-for-one stock split and a dividend increase.

Mobil added $¼ at $82¾—it found more oil and gas in its Hibernia well off Newfoundland. Among partners Standard Oil of California rose $1 to $106.

THE AMERICAN SE Market Value Index moved up 4.86 to 347.14, making a rise of 13.65 on the week.

Oils were firm. Houston Oil added $½ at $54, Ranger Oil $¾ at $20 and Inter-City Gas $¾ at $13⅝.

Texas Air slipped $¼ to $10⅞—it is to begin shuttle service between New York and Washington but Unions said they will picket the inaugural flights to protest hiring of non-Union personnel on the new service.

Canada

Markets remained mainly higher in moderate trading around noon yesterday, when the Toronto Composite Index added 1.1 at 2,239.6.

The Oil and Gas Index rose 54.9 to 4,382.0 and Papers 0.68 to 243.52, but Metals and Minerals shed 12.6 to 2,267.0. Golds 4.7 to 4,805.9, Utilities 2.25 to 257.10 and Banks 0.27 to 408.19.

Trading in Bell Canada and its 55 per cent owned Northern Telecom remained halted. Bell expects a decrease in earnings of $121m in the fourth quarter and 1980 resulting from Northern's forecast of a "substantial loss" in its fourth quarter.

Gulf Canada improved $1¾ to $24½—Partner Mobil Oil Canada released further tests showing oil flow of 3,389 barrels per day at the Hibernia B-08 well.

Nora, an Alberta Corporation, lost $¼ to $36½—its energy projects are threatened by the Federal Budget and Energy Programme.

Australia

Takeover situations again dominated markets as the All Ordinaries Index posted its fifth successive rise amid speculation that U.S. interest rates have peaked.

The takeover struggle for Walkers climaxed just after the close when Australian National Industries conceded defeat and said it would accept a rival offer for Walkers by Evans Deakin Industries.

The announcement followed a rise of 95 cents in Walkers shares to A$5.10 in Sydney and a A$1 jump to A$5.20 in Brisbane which compared with A$1.40 in early November when ANI launched its bid.

Hong Kong

Sharply higher in moderately active trading with the Hang Seng Index jumping 41.17 to 1,291.93.

Buying was stimulated by the market's belief that local interest rates will not rise in the near future following the Hong Kong dollar's recent recovery on Foreign Exchange Markets.

Smaller Property concerns were particularly strong, with Swire Properties adding 30 cents at HK$11.60, Trafalgar 35 cents to HK$5.75, New World 30 cents to HK$5.80 and Sun Hung Kai Properties 70 cents to HK$16.

One of the very few stocks to fall was Hongkong Ferry, which slumped HK$6.50 to HK$61 after announcing a share split and rights issue late Thursday.

Singapore

Marginally firmer in all sectors, with Straits Times Industrial Index up 9.27 to 651.55.

Properties were selectively traded. Selangor Properties gained 50 cents to S$14.40 and City Development 4 cents to S$3.76.

Hotels, Tins and some second line Industrials were steady.

Tokyo

Prices closed mixed as "high-priced" Electricals and Precisions rose sharply following the overnight steadiness on Wall Street, but front-runners fell on profit-taking ahead of the weekend. Volume 330m (430m) shares.

Light Electricals and Precisions advanced in anticipation of a return of foreign investors to Japanese stocks following the good business results of Sony, up Y80 at Y3,280, and Fuji Photo, up Y27 to Y587. But Steels, Oils, Motors and front-runners in "low-priced" issues fell.

"Large capitals," such as Heavy Electric Machines, Steels and Shipbuildings, were easier.

Speculatives also fell on profit-taking.

Paris

Prices tended lower in fairly active trading, with pessimism over France's economic prospects for 1981 depressing sentiment.

All sectors were clearly lower except Real Estates and Investment Portfolios where some shares gained a little ground.

Electricals were well down.

In the Car sector, Peugeot shed FFr 5 to 125.

Oils were lower after reports supplies of petroleum from Iraq were cut off.

All Foreign sectors were clearly lower.

Milan

Prices closed selectively firmer on Institutional support in modest trading.

Amsterdam

Mixed with Royal Dutch down Fl 4.50 but KLM firmed Fl 0.50 in mainly lower Dutch Internationals.

Switzerland

Prices fell and closed near the day's lowest levels, with dealers unable to pinpoint a reason for the weakness.

Ciba-Geigy Bearer fell SwFr 25 to SwFr 955, unofficially quoted Hoffman-la Roche SwFr 275 to SwFr 7,150, and Nestle Bearer SwFr 30 to SwFr 3,050.

All insurances closed barely steady, but Banks eased markedly.

Johannesburg

Gold shares closed mostly easier on lack of interest and the slight fall in the gold price.

Closing prices for North America were not available for this edition.

Kneissl offered rescue package

By Our Zurich Correspondent

PLANS FOR the rescue of the ailing Austrian ski maker Kneissl are being formulated by Mr. Walter Hauenstein, a Swiss businessman.

Together with the Munich-based ski distributor Trak and the Austrian textiles company Carinthia Mr. Hauenstein, a builder and formerly the producer of "Rebell" skis, would take a majority shateholding in Kneissl. His company indicated yesterday that something like SwFr20-25m ($11-13.8m) would be necessary to save Kneissl.

A newly-formed rescue company—Kneissl's creditors willing—would cut back production to what Mr. Hauentstein calls "sensible dimensions." The labour force would be reduced from 500 to 330, and production would be resumed in mid-January with an output of 300,000-400,000 pairs of skis in the first year. An international ski trading company is said to have signed a provisional contract for the delivery of 300,000 pairs.

Kneissl which, after Fischer, Atomic and Blizzard, is the fourth largest ski maker in Austria, produces around 500,000 pairs of skis annually.

The downturn in demand for skis worldwide has badly hampered Kneissl, which is family-owned, pushing it into the red and leaving it with no option but liquidation unless fresh funds can be made available.

Du Pont in Holland

Philips, the Dutch electronics company, and Du Pont of the U.S., have agreed to set up a joint venture for the manufacture of magnetic tape, AP-DJ reports from Eindhoven. Du Pont will contribute the chemical know-how to the new joint venture, while Philips will contribute marketing.

Joint hotel chain planned by Nestle and Swissair

BY JOHN WICKS IN ZURICH

NESTLE and Swissair are to develop an international chain of hotels. A Swiss-based operating company, Swissair - Nestle Hotel, has been registered as a joint-venture with an initial capital of SwFr 1.5m ($830,000).

Over the coming 10 years, the two companies expect to build a chain of between 10-15 hotels, including three or at most four in Switzerland.

At the beginning of next year the joint company is to take over the management of the Hotel International in Zurich, the Hotel President in Geneva and the Hotel Bellevue-Palace in Berne. The purchase of a hotel in New York is pending.

The existing hotel activities of Nestle, which is best known for its foodstuffs, and the airline will be unaffected by the agreement. Swissair already participates in the Penta hotel group and in a number of individual hotels. Nestle operates a chain of 20 hotels in the U.S., and in 1977 it took part in forming NCM Hotels of Lausanne, which has management contracts for hotels in Egypt and Mexico.

The two companies said yesterday that no figure had yet been calculated for the investment tobe made by Swissair-Nestlé Hotels. At this stage the indications are that initial investment will be modest: only some of the hotels covered by the 10-year plan will, like that in New York, actually be bought by the company and there are no intentions (as yet) to build new hotels.

The first three hotels in Switzerland will be the subject only of a management contract. A Swissair subsidiary already owns the Geneva hotel and holds 22 per cent of the capital of the Zurich one. Some of the other hotels will also be run solely under a management contract.

Framatome's sales rise 140%

BY TERRY DODSWORTH IN PARIS

FRAMATOME, the French nuclear power station construction company, is expecting its turnover to jump 140 per cent from FFr 1.8bn ($391m) last year to FFr 4.3bn this year, and then to FFr 7bn in 1981.

This rapid growth, due mainly to the gathering pace of the French nuclear power programme, will be followed by a period of stability, with sales forecast at FFr 5bn in 1982 and FFr 6bn in 1983.

But at the same time, the company is expecting to improve its earnings, after breaking into profits for the first time last year to make about 1 per cent return on its turnover.

While Framatome remains coy about its precise financial prospects, M. Jean Claude Leny, chairman, says that the company is working slightly above its ideal capacity at the moment. This means that its future is well assured for the next four to five years, while it is continuing to search for new overseas contracts to ensure its output when the current French nuclear power programme begins to decline.

M. Leny indicated that the 15 per cent stake held in Framatome by Westinghouse, the U.S. group, will be shortly taken over by Creusot-Loire, the French company's majority shareholder. The Westinghouse licence under which Framatome has built up its business, in the past seven years is due to run out in 1982, and it is expected that the main contacts between the two companies after that date will be in the field of nuclear fuel technology.

Framatome, however, is also aiming to develop a second nuclear fuel activity in a joint-venture with Cogema, the subsidiary of the French atomic energy commission (CEA).

CEA holds 30 per cent of Framatome, against Creusot-Loire's 5 per cent.

M. Leny says that Framatome has become the largest producer of nuclear power station equipment in the world, with a labour force of 4,800, an order book worth FFr 45bn and an annual research budget of FFr 200m.

But the company's output could begin to fall after 1985 unless there is a pick-up in orders from export markets.

Swedish Match in U.S. deal

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

THE U.S. authorities have approved the purchase by Swedish Match of Universal Match, the match division of UMC Industries. The purchase sum has not been disclosed but UMC has stated that it would make "a net gain" of $300,000 on the transaction.

Universal Match is the largest manufacturer of advertising matches in the U.S., with factories in Hudson, New York and Ferguson, Missouri. It has annual sales of around $23m and a marketing organisation of some 180 salesmen covering the whole American market.

Swedish Match yesterday described the acquisition as part of a "rigorous expansion programme in the American market," where its sales last year accounted for only SKr 116m ($24m) out of a total turnover of SKr 5.9bn.

It has set up a subsidiary, Trans/Match Incorporated, in New Orleans, which started by manufacturing standard wooden matches. However, Trans/Match owns a small island, Profit Island, in the Mississippi river, on which gas deposits have been found.

The exploitation rights have been transferred to Hunt International in return for a 20 per cent royalty. Commercial production of the gas is scheduled to start early next year.

ANI drops out of the bidding for Walkers

By Our Financial Staff

AUSTRALIAN NATIONAL Industries, the New South Wales engineering, motor vehicles and investment group has withdrawn from its A$18m (US$21m) take-over battle for Walkers, the Queensland engineers. It is to accept the rival bid for Walkers from Evans Deakin, another Queensland engineering concern.

The withdrawal was announced following a 95 cents jump in the price of Walkers shares to A$5.10 in Sydney, and an increase of A$1 to A$5.20 in Brisbane. This compares with A$1.40 in early November, when the ANI bid was launched.

ANI had built up a 30 per cent stake in Walkers at prices up to A$4 against fierce opposition from the Queensland Government and other Queensland interests. Queensland has also opposed a bid by the New South Wales engineer and railway rolling stock manufacturer, Clyde Industries for Evans Deakin.

Clyde, a longstanding shareholder in Evans Deakin, with a stake of about one-eighth, entered its bid because it was opposed to Evans taking over Walkers.

ANI's withdrawal from the battleground came two days after it had announced the establishment of its 30 per cent stake and when it had come under attack from the Brisbane Stock Exchange for its tactic of raising the price of its market bidding before announcing that it was so doing—buying Walkers shares at A$4 each, compared with the offer of A$3.80 announced earlier.

Comeng joins notes rush

By James Forth in Sydney

COMENG HOLDINGS, the engineering group, has joined the rush to raise funds through convertible note issues. Comeng is seeking up to A$30m (US$35m) which will take the convertible note raisings since August to more than A$500m, which compares with less than A$100m raised in the previous two years.

The Comeng notes will carry an interest rate of 11 per cent and an issue price of A$14, compared with a pre-announcement market price for Comeng shares of A$3.85.

Monsanto makes provision against Spanish unit

BY PAUL BETTS IN NEW YORK

MONSANTO, whose earnings this year are already under pressure from the downturn in the world chemical market, is having to absorb further shocks in the form of a large provision against its Spanish subsidiary.

Problems at Aiscondel, the leading plastics manufacturer in Spain, are forcing Monsanto to write-off $55m, or $1.50 a share, against 1980 income. In 1979 group earnings totalled $331m or $9.11 a share on sales of $6.2bn.

Aiscondel, which is 67 per cent-owned by Monsanto, was granted by a Spanish Court last month a moratorium on its heavy debts including the obligation to pay ordinary trade debts because of its dire cash-flow problems.

In a report to the Securities and Exchange Commission, Monsanto said it was making the loss provision against 1980 net earnings because of the suspension of debt payments and its decision to withdraw from the Spanish plastics group.

Monsanto added that Aiscondel, whose production of plastics totals some 320,000 tons a year, was currently operating while negotiations are continuing to resolve the Spanish concern's financial problems.

For some time, Monsanto has sought to sell its stake in Aiscondel but buyers up to now have not been forthcoming.

Monsanto declined to estimate yesterday what the company's earnings this year would be after the loss provision. The company's income in the first nine months of this year were sharply down, falling to $217m compared to $320.2m in the first nine months of last year.

Last month when the Spanish civil court granted Aiscondel its temporary suspension of payments, Monsanto said such suspensions were generally available to companies with cash shortages but whose assets exceed liabilities.

Northern Telecom heads for substantial loss

BY ROBERT GIBBENS IN MONTREAL

CONTINUING problems with two major U.S. subsidiaries acquired in 1978 will require heavy write-offs this year for Northern Telecom, Canada's largest telecommunications maker, controlled by Bell Canada, the eastern Canada telephone utility. The company warns that a heavy loss will be shown for the year.

In the past nine months, Northern Telecom earned C$29.8m (US$24.8m) or 88 cents per share, against C$78.4m or C$2.64 per share a year earlier. Sales were C$1.5bn against C$1.3bn.

Three years ago Northern Telecom bought Sycor Incorporated and Data 100 Corporation, two U.S. computer terminal companies, hoping to move rapidly into the growing U.S. terminal market for automated office equipment. But both acquisitions have proved a drag on profits.

Moreover, in the past year Northern Telecom has had to cope with the impact of the North American recession on its normal telecommunications equipment business.

Both U.S. companies were merged into a new entity, Northern Telecom Systems Corporation, but efforts to create an "office of the future" product line bogged down. There were major management defections and sales consistently fell below target. Early this year third-party lessing was halted, further depressing short-term profits.

Obsolete equipment and inventories have been written off and also goodwill and other assets from NT Systems carried on the parent's books.

Northern Telecom says provnology investment for 1980 will total C$107m while write-offs for inventories and other provisions will be C$113m. The provisions will cost the company about C$6.55 a share. In 1979 net earnings totalled C$3.70 a share.

Northern Telecom says fursioins for goodwill and tecbther losses will be incurred in the U.S. operstions in 1981 "but we have not changed our commitment to electronic office systems business."

Later Bell Canada, which owns about 55 per cent of Northern Telecom, said the communications equipment manufacturer's losses will adversely affect its own consolidated results by about US$121m for the 1980 year. This would be equal to more than 74 cents per common share of Bell, which carned US$371m or US$2.64 a share last year.

Dominion Stores sells supermarkets

By Our Montreal Correspondent

DOMINION STORES, controlled by the Black family interests of Toronto through Argus Corporation, is selling 87 supermarkets and a warehousing system in Quebec to Provigo for an estimated C$100m (U.S.$83m).

Provigo is a major national wholesale and retail food distribution group and in the 16 weeks ended November 1 earned S$5.6m or C$1.15 a share against C$4.4m or 90 cents on sales of C$645m against C$547m.

In the 40 weeks Provigo earned C$18.1m or C$14m on sales of C$1.9bn against C$1.75bn.

Buying the Dominion stores outlets will strengthen Provigo's position in the key Montreal market. Provigo is believed to have stepped in at the last moment with a better bid than the Quebec Co-operative movement.

● A temporary restraining order against Canadian Pacific's US$360m bid for Hobart Corporation, of Troy, Ohio, a commercial and domestic kitchen equipment maker, has been lifted by an Ohio federal court.

COMMODITIES/REVIEW OF THE WEEK

Strong rally in sugar market

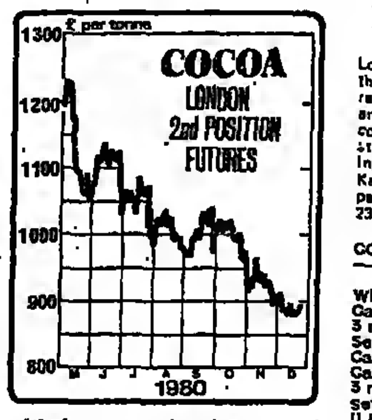
WORLD SUGAR rices rallied strongly this week as traders reacted against the recent heavy fall, which many thought had been overdone.

The advance, which began at the end of last week after prices had slipped to seven-month lows, lifted values by nearly £60 a tonne at one point. Even after a £9.75 fall yesterday the March position on the London futures market ended the week £49.575 up at £310.125 a tonne.

The rally was seen as chiefly technical. Dealers said the preceding fall had driven most speculative holders out of the market creating a supply vacuum in which relatively morest buying could have a dramatic effect on prices.

Cocoa prices were also a little stronger with the March futures quotation reaching £899 at one stage before ending £15 up on balance at £891.50 a tonne.

Excessive supplies and stagnant demand are still depressing the market, however. The latest market report from influential London merchants Gill and Duffus, published today, forecasts that the world cocoa crop will exceed consumption by 92,000 tonnes in the 1980-81 season. This figure is slightly less than the 100,000 tonnes surplus being forecast by some other traders but is nevertheless unlikely to inspire much strength in the market.



In the last three seasons surpluses have totalled about 300,000 tonnes and the 1980-81 addition forecast by Gill and Duffus would raise world stocks to 713,000 tonnes, the highest level since 1964-65.

The rise in coffee prices this week was encouraged by a further cut in International Coffee Organisation export quotas and news that the Senate had voted in favour of U.S. implementation of the provisions of the International Coffee Agreement. The Coffee Bill now requires only the presidential signature to come into effect. It will enable the President to exclude coffee from non-ICO members from the country. Full U.S. involvement had been regarded as vital to the pact's effectiveness since it is the world's biggest consumer of coffee.

The 1.4m bags (60 kilos each) cut in ICO members export quotas, reducing the total to 54.1m bags, was the inevitable result of the continued weakness of international coffee prices.

Under the terms of the agreement 1.4m bags had been trimmed from the total last month when the ICA 20-day average indicator price slipped below 120 cents a pound. By remaining below that figure for 20 market days the price automatically triggered the second cut. So when this was announced on Thursday it had already been fully discounted in the market. Prices rose a little but fell back again yesterday when a £31 fall left the March futures position £29.50 up on the week at £1,012 a tonne.

Cash copper wirebars gained £32 on the week to £798.5 a tonne despite being held back at one point by the rise in U.S. interest rates. The rise was initially encouraged by the strength of gold and this was again the main factor in yesterday's £11.50 advance.

A £94 fall in the cash standard tin price was mainly due to disappointment at the failure of talks in Geneva aimed at drawing up a new International Tin Agreement to replace the current one when it expires next June. The talks were adjourned this week and will not resume till March.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/815	—	£760/770	£710/815	£780/70
Free Markets c.i.f.	$1450/1470	+35	$1750/1860	$2180/2200	$1400/1460
Antimony					
Free Market 99.6%	$5200/5260	–5	$5200/3850	$5,433	$3150/5200
Copper Cash Wire Bars	£798.5	+32	£1,025.5	£1,372	£763.5
3 months Do. Do.	£812.25	+30	£1,011.5	£1,376.3	£781.5
Cash Cathodes	£776.5	+28.5	£974.3	£1,316	£747
3 months Do.	£794	+25.5	£991	£1,343.5	£763.5
Gold per oz.	$584.3	+34	$478	$856	$475
Lead Cash §	£315.5	+0.5	£536	£579	£299.5
3 months §	£325.25	–1	£518.5	£471.3	£308.75
Nickel	£3,216*	—	£3,260.17	£3,477	£3,116
Free Market c.i.f. lb.	275/295c	–7.5	270/310c	315/345	265/295c
Platinum per oz.	£202	—	£195	£282	£282.50
Free Market per oz	£261.0	+15.25	£293.20	£466.5	£250
Quicksilver (76lbs.)	$360/370	–10	$375/380	$418/485	$360/370
Silver per oz.	659.20p	+40.7	1067.30p	2,165.05p	467.80p
3 months per oz.	679.70p	+42.8	1102.80p	2,185.05p	483.5p
Tin cash	£6,310	–94	£7,585	£8,350	£6,155
3 months	£6,401	–64	£7,355	£8,385	£6,295
Tungsten Ind.	$141.97	–2.35	$137.73	£148.21	$137.75
Wolfram (22.04 lb.)	$140/143	+2	$129.5/134	$161/154	$123.60/134
Zinc cash	£328.5	+0.5	£343.5	£400	£288
3 months	£340.25	+0.5	£355.25	£416	£292.25
Producers	$825	—	$780	$825	$780
GRAINS					
Barley					
Home Futures	£99.25	–0.70	£97.40	£101.55	£89.95
Maize					
French	£121.5	—	£120	£122.5	£110.50
WHEAT					
No. 1 Red Spring	‡	—	‡	‡	‡
Am. Hard Winter	£108.25w	—	£106	£112.5	£91.0
Eng. Milling (new crop)	‡	—	‡	‡	‡
SPICES					
Cloves (g)	$4,100z	—	$4,000	$4,175	$5,720
Pepper, white	$2,175z	–25	$2,650	$2,825	$2,125
" black	$1,625	—	$1,850	$2,000	$1,575
OILS					
Coconut (Philipines)	$640y	—	$875	$925	$560
Groundnut 5%	‡	—	‡	£457	‡
Linseed, Crude	£460	—	£395	$480	£338
Palm Malayan	$522.5w	+27.5	$666	$725	$475
SEEDS					
Copra (Philipines)	$420	+25	$572.5	$610	$355
Soyabeans (U.S.)	$321x	—	$291.9	$381	$260
OTHER COMMODITIES					
Cocoa Shipment	£967	+15	£1,679	£1,546	£952
Cocoa Futures Mar.	£891.5	+15	£1,518.5	£1,513.5	£874.5
Coffee Futures Mar.	£1,012	+29.5	£1,669	£1,784.5	£959.5
Cotton Index	98.25	+0.90	82.70c	103.8c	83c
Des Coconut	£650	—	£710	£740	£640
Jute LJ ABW C grade	£221	—	£228	£252	£187
Rubber kilo	57.50p	—	64.50p	90p	55.50
Sago Pearl	£199z	—	£216	£216	£197
Sisal No. 3	$780	—	$885	$885	$780
Sugar (Raw)	£300	+55	£176	£410	£164
Tapioca No. 1	£212z	—	£211	£226	£202
Tea (quality) kilo	125p	+3	150p	150p	122p
" (plain) kilo	54p	—	57p	73p	54p
Wooltops 64s Warp	297p kilo	—	275p	308p kilo	276p kilo

Unquoted. (g) Madagascar. (x) Jan. (t) Dec. (y) Feb./March. (z) Dec.-Jan. (w) Feb. *Nominal.

BASE METALS

COPPER—Gained ground on the London Metal Exchange. The smaller than expected rise in American prime rates and the subsequent rise in gold encouraged persistent U.S. buying of copper and with Comex moving ahead strongly London prices rose accordingly. Three months ended the late Kerb at the day's high of £815.5 despite persistent trade selling. Turnover: 23,775 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	794-5	+7.25	798-9	+11.5
3 months	808-9	+5.5	812-.5	+7.5
Settlem't	795	+7.5	—	
Cathodes				
Cash	770-2	+4.5	776-8	+7.5
3 months	790-1	+6	792-5	-7
Settlem't	772	-3	—	......
U.S. Prod			*92-91.35	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £795.5, 95, three months £807, 08, 09, 08, 08.5. Cathodes, cash £773, three months £790. Kerb: Wirebars, three months £808, 07, 08.5, 06, 05.5. Afternoon: Wirebars, three months £808, 09, 10, 09.5, 10, 11, 10.5, 11, 12. Kerb: Wirebars, three months £810, 11, 12, 12.5, 13, 14, 15, 16.

TIN—Marginally easier. Forward metal moved in a narrow range throughout the day as persistent selling was met by good buying from one quarter. Closing quote on the late Kerb was £6,400. Turnover: 920 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6315-25	-25	6300-20	-35
3 months	6400-5	-15	6400-2	-10.5
Settlem't	6325	-25	—	......
Standard				
Cash	6310-20	-30	6300-90	-36
3 months	6400-5	-15	6400-2	-10.5
Settlem't	6320	-30	—	......
Straits E.	†$1929	-7	—	......
New York				

Morning: Standard, cash £6,310, three months £6,400, 6,395, 95, 6,400. Afternoon: Standard, three months £6,400. Kerb: Standard, three months £6,400.

LEAD—Lost ground as offerings of cash material widened the contango to £8 and depressed forward metal to £325 before a close on the late Kerb of £326. Turnover: 6,375 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	315-.5	-8.5	316-7	-7.75
3 months	325-.5	-7.5	325.5	-5.5
S'ment	315.5	-8.5	......	
U.S. Spot	—	......	*39.43	......

Morning: Cash £315.5, 16, three months £329, 28, 27, 26, 25.5, 25, 25, 25.5, 26, 25.5. Kerb: Three months £325, 24.5, 25. Afternoon: Three months £326, 26.5. Kerb: Three months £325, 26, 27, 26.

ZINC—Easier. Forward metal opened at £344 but fell back to £339.5 in the morning reflecting offerings of cash which widened the contango to around £12. However, in the afternoon the rally in gold and a further rise in copper brought out fresh buying of zinc with three months closing the late Kerb at £345.5. Turnover: 4,675 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	328-9	-8	328-9	-5.5
3 months	339-40	-7.25	340-.3	-4.25
S'ment	329	-8	......	
Primw'ts			*41.5	......

Morning: Cash £329, three months £343.5, 44, 42, 41, 40, 39.5. Afternoon: Three months £340.5, 40. Kerb: Three months £340.5, 41.5, 41, 41.5, 44.

ALUMINIUM—Little changed. Good European buying lifted forward metal to £641 in early trading but the market failed to hold these levels as profit-taking left three months at £636 on the late Kerb. Turnover: 6,550 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	619.5-20	-1.25	618-20	-5
3 months	635-.5	-1	636-.5	-.3

Morning: Cash £630, three months £638, 39, 36, 35, 37, 35, 35, 35.5. Afternoon: Late December £620, three months £635, 36, 36.5. Kerb: Three months £636.

NICKEL—Edged higher with forward metal finally quoted at £2,715 on the late Kerb. Turnover: 168 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2680-5	-7.5	2690-5	+17.5
3 months	2700-5	-5	2705-10	+20

Morning: Cash £2,685, 80, three months £2,695, 2,700. Afternoon: Three months £2,720, 10. Kerb: Three months £2,710, 20.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 11.8p an ounce lower for spot delivery in the London bullion market yesterday at 659.2p. U.S. equivalents of the fixing levels were: spot $15.3, down 30c; three-month $15.99, down 30.7c; six-month $16.506, down 30.8c; and 12-month $17.75, down 30c. The metal opened at 661p-670p ($15.4-$15.6) and closed at 665p-674p ($15.60-$15.80).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	652.20p	-11.8	673.0p	+19.0
3 months	679.70p	-19.4	694.0p	+18.5
6 months	692.30p	-10.2	—	......
12 months	782.10p	-7.0	—	......

LME—Turnover 182 (155) lots of 10,000 ozs. Morning: three months 678, 76, 78, 77, 76, 75, 74, 73. Kerb: three months 674, 73, 75, 74. Afternoon: three months 695, 93. Kerb: three months 695, 97, 700, 698, 99, 700.

COCOA

Following an unchanged opening cocoa traded in a narrow range and ended the day some £5 above Thursday evening. The lack of activity was reflected on the physical market which failed to attract either producers or consumers, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Dec.	852-853	-5.3	860-856
March	891-892	+6.0	896-887
May	914-916	+6.0	919-910
July	932-955	+5.0	957-930
Sept.	951-952	+2.0	957-949
Dec.	977-978	+5.0	985-973
March	998-1005	+9.3	1005

Sales: 1,826 (1,709) lots of 10 tonnes.

ICO Futures: Daily price for December 18 94.80 (94.73); 10-day average 94.59 (94.70); 15-day average 95.05 (95.17).

COFFEE

In line with expectations London opened £10 lower in thin volume, reports Drexel Burnham Lambert. No fresh features emerged from a quiet session but prices tended to weaken slightly in the afternoon reflecting steadier currency factors.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
January	995-998	-10.0	1002-995
March	1011-13	-21.0	1025-10
May	1015-17	-19.5	1029-15
July	1024-27	-20.8	1037-24
Sept.	1035-40	-18.5	1052-40
Nov.	1020-43	-28.0	—
Jan.	1025-75	-10.0	—

Sales: 1,145 (1,195) lots of 5 tonnes.

ICO Indicator prices for December 18 (U.S. cents per pound): Other Mild Arabicas 121.50 (121.17). Robustas ICA 1968 119.00 (118.00). ICA 1968 119.25 (115.25). Unwashed Arabicas 213.50 (214.00). Comp. daily ICA 1968 152.83 (152.81).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business sales). Australian cents per kilo. Dec. 448.5, 450.0, 450.5-449.0, 29; March 470.0, 471.5, 471.0-469.0, 42; May 484.0, 486.0, 486.0-483.5, 62; July 497.5, 498.0, 498.0-496.5, 32; Oct. 498.0, 500.0, 499.0-499.0, 1; Dec. 502.0, 503.0, 503.0-502.0, 14; March 508.5, 510.0, 509.0-508.0, 5; May 514.7, 516.0, 514.7-514.7, 3. Sales: 188.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo). Dec. 350, 360, nil, nil; Jan. 351, 354, nil, nil; March 355, 380, nil, nil; May 359, 361, 361, 1; Aug. 371, 375, 374-372, 3; Oct. 374, 377, nil, nil; Dec. 378, 372, nil, nil; Jan. 380, 384, nil, nil; March 382, 386, 384-382, 3; May 384, 389, 387-385, 3. Sales: 10.

GRAINS

LONDON GRAIN FUTURES—The market opened 15p lower on wheat, but found virtually no buyers and although conditions were thin values remained on the retreat all day and by the close were between 45p-60p lower. With the spot option under the most pressure barley tended to find sympathetic sellers and by the close values were 30p-40p in thin conditions. New crops were quiet but steady, reports Acli.

WHEAT M'nth	Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Jan.	105.10	-0.60	95.15	-0.59
Mar.	107.25	-0.45	99.25	-0.39
May	111.25	-0.55	103.20	-0.40
July	115.35	-0.60	—	
Sept.	100.35	-0.05	96.25	-0.25
Nov.	104.95	+0.15	100.15	-0.15

Business done—Wheat: Jan. 103.55-103.10, March 107.80-107.25, May 111.65-111.25, July 115.50-115.35, Sept. no trade, Nov. 104.90-104.90. Sales 185 lots of 100 tonnes. Barley: Jan. 95.50-95.25, March 99.50-99.30, May 103.55-103.20, July no trade, Sept. 96.25-96.00, Nov. 100.20-100.15. Sales 280 lots of 100 tonnes.

LONDON GRAINS—U.S. Dark Northern Spring No. 2 14 per cent, Feb. 111.25, March 111.50 transhipment East Coast sellers; U.S. Hard Winter 13½ per cent, Feb. 108.25, March 108.50 transhipment East Coast sellers: English Feed fob March 113, April 115, April-June 115.75 East Coast sellers. Maize: French, Dec. 121.90 East Coast; South African Yellow Jan.-Feb. 92.00 sellers. Barley: English Feed fob. Jan. 101 Bristol Channel, Feb. 101.50, March 103.25, April-June 105.25 East Coast sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 105.80, E. Midlands 102.30. Feed Barley: Eastern 95.00, E. Midlands 93.00, N. East 93.10; Scotland 93.00. The UK Monetary Coefficient for the week beginning Monday December 22 is expected to change to 0.879.

RUBBER

The London physical market opened slightly steadier with little interest throughout the day, closing quiet. Lewis and Peat reported an fob January price for No. 1 RSS in Kuala Lumpur of 298.5 (298.5) cents a kilogramme and SMR 20 at 252.5 (251.5) cents.

No. 1 R.S.S.	Yest'day close	Previous Close	Business Done
Jan.	57.80-58.50	58.20-58.30	—
Feb.	58.00-59.60	58.80-59.50	60.00
Jan-Mar	60.25-59.40	58.50-58.70	59.90-59.15
Apr-Jne	63.40-65.60	65.70-65.80	64.00-65.40
Jly-Sept	66.80-66.90	67.00-67.10	67.30-66.70
Oct-Dec	69.80-69.90	70.00-70.10	70.50-69.90
Jan-Mar	72.80-75.00	76.15-76.20	—
Apl-Jne	75.70-75.80	76.10-76.20	75.80
Jly-Sept	78.70-78.90	79.10-79.80	—

Sales: 98 (276) at 15 tonnes. 5 (22) at 5 tonnes. Physical closing prices (buyer) were: Spot 57.50p (same); Jan. 61.25p (61.50p); Feb. 62.25p (same).

SOYABEAN MEAL

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
December	122.00-27.0	—	—
February	120.60-20.5	-0.70	129.90-20.10
April	133.60-33.9	-0.70	134.00-33.20
June	135.00-35.0	-0.75	—
August	135.00-36.5	-2.25	—
October	130.00-30.5	+0.55	130.10-30.00
December	128.00-30.5	+1.65	—

Sales: 81 (31) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £300.00 (£305.00) a tonne cif for Dec.-Jan.-Feb. shipments. White sugar daily price was £323.00 (£327.00).

The market was again depressed at the opening by sell at best orders which sent March some £6.00 below overnight levels. However, the lows were short-lived and prices moved higher over the day, reports C. Czarnikow.

No. 4 Contract	Yest'rdays Close	Previous close	Business Done
	£ per tonne		
Jan.	305.9-307.70	312.00-15.00	315.00
Mch.	319.0-310.25	319.75-20.00	320.00-306.0
May	319.0-311.00	316.00-18.00	319.00-304.0
Aug.	300.5-301.00	304.00-04.25	305.50-291.0
Oct.	288.5-289.00	290.00-92.00	290.00-282.0
Jan.	264.0-266.00	269.00-75.00	269.00-259.0
March	261.0-261.00	266.75-68.00	251.50-257.0

Sales: 8,102 (12,601) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.5 (same) a tonne for home trade and £387.00 (£390.00) for export.

International Sugar Agreement (U.S. cents per pound, fob and stowed Caribbean port). Prices for Dec 18: Daily price 29.97 (29.73); 15-day average 28.69 (28.96).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 20 tonnes bringing the total for the week to 121 tonnes against 395 tonnes in the previous week. Small purchases continued with an absence of demand even in the more popular styles. The turnover was confined to minor weights of American type qualities with most interest in Middle Eastern groups.

AMERICAN MARKETS

NEW YORK, Dec. 19.

PRECIOUS METALS experienced one of the best advances in a long time as financial instrument markets ignored advances in the prime rate. Buying in copper, with higher prices on the close, ignored bearish fundamentals and provided good support. The livestock markets finished with major advances. Soyabeans finished with a good rally on the close while maize and wheat finished mixed on late local selling. Sugar was moderately higher on new export demand. Coffee declined on profit-taking, cocoa was up in featureless trading. Reports of further cotton sales to China supported the market at higher levels, reported Heinold.

Silver—Dec. 1610.0 (1530.0), Jan. 1600.0 (1540.0), Feb. 1634.5, April 1679.0, June 1724.0, Aug. 1753.0, Oct. 1814.0, Dec. 1859.0, Feb. 1934.0, April 1949.0, June 1999.0, Aug. 2039.0, Oct. 2084.0, April 2219.0.

†Soyabeans—Jan. 785-783 (771), March 819-816 (805), May 844-845, July 863-865, Aug. 858-859, Sept. 810, Nov. 817, Jan. 823.

‖Soyabean Meal—Jan. 229.2-230.0 (225.7), March 241.0-240.5 (236.5), May 246.5-248.0, July 254.9-254.0, Aug. 253.5, Sept. 245.5, Oct. 234.0, Dec. 235.5, Jan. 237.0-236.0, March —.

Soyabean Oil—Jan. 24.55-24.60 (24.26), March 25.65-25.55 (25.27), May 26.35-26.45, July 27.20-27.10, Aug. 27.30-27.40, Sept. 27.40, Oct. 26.80-26.90, Dec. 26.90, Jan. 26.80-26.90, March —.

†Wheat—March 490-491 (488½), May 494-493 (494½), July 478-479, Sept. 488, Dec. 507, March —.

Copper—Dec. 83.95 (82.10), Jan. 84.35 (82.70), Feb. 85.75, March 87.00-87.20, May 89.70-89.80, July 91.90-92.20, Sept. 94.30, Dec. 96.40, Jan. 97.20, March 98.80, May 100.40, July 102.00, Sept. 103.60. Sales: 6,700.

Potatoes (round whites)—March 154.2 (154.6), April 161.3-161.5 (162.7), Nov. 89.5-89.2. Sales

Sugar—No. 11: Jan. 31.00-31.10 (30.95), March 31.55-31.60 (31.37), May 31.50-31.65, July 31.25-31.40, Sept. 29.90, Oct. 29.10-29.20, Jan. 26.30-26.40, March 26.30-26.50, May 26.00-26.50. Sales: 15,219.

Tin—679.0-685.0 (677.0-685.0).

CHICAGO, Dec. 19.

Lard—Chicago loose 21.00 (same).

Live Cattle—Dec. 65.80-65.50 (65.35), Jan. 68.55-68.45, April 70.95-71.00, June 73.0-72.90, Aug. 72.90-73.00, Oct. 71.85-71.90, Dec. 72.60.

Live Hogs—Dec. 46.00-45.95 (47.32), Feb. 52.40-52.60 (51.72), April 54.72-54.95, June 59.50-59.45, July 60.75, Aug. 58.77-59.27, Oct. 57.20, Dec. 56.90, Feb. 60.00.

‡‡Maize—March 376½-375 (378¼), May 383¾-382½ (383¾), July 382-381, Sept. 369-369½, Dec. 358½-352, March 367¼.

Pork Bellies—Feb. 63.60-63.67 (61.62), March 64.10-64.45 (62.45), May 66.90-67.00, July 69.50-69.52, Aug. 69.00-69.10.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

Thursday's closing prices

NEW YORK, December 19.

Coffee—"C" Contract: Dec. 116.90-116.98 (117.79), March 122.00-122.25 (121.95), May 123.75-123.50, July 123.80, Sept. 124.38, Dec. 125.40, March 125.00-125.40, May 120.00-125.40. Sales: 1,515.

Copper—Dec. 81.60 (81.45), Jan. 82.70 (82.15), Feb. 84.05, March 85.40-85.50, May 88.10-88.20, July 90.25-90.40, Sept. 92.50, Dec. 94.90, Jan. 95.70, March 97.30, May 98.90, July 100.50, Sept. 102.10. Sales: 6,000.

Cotton—No. 2: March 91.80-91.90 (91.26), May 92.15-92.45 (91.97), July 92.25-92.50, Oct. 87.50-87.55, Dec. 84.25-84.30, March 85.00-85.25, May 85.50-86.00. Sales: 5,000.

*Gold—Dec. 573.0-574.0 (574.0), Jan. 573.0 (577.8), Feb. 582.0-584.0, April 599.0-602.0, June 617.0-618.5, Aug. 635.2, Oct. 652.3, Dec. 668.0, Feb. 686.2, April 703.0, June 719.7, Aug. 736.4, Oct. 753.0. Sales: 40,000.

Orange Juice—Jan. 84.90 (85.10), March 87.50-87.60 (85.60), May 89.40-89.60, July 91.75-91.85, Sept. 93.50-93.75, Nov. 94.50-94.75, Jan. 95.60, March 96.25-96.50. Sales: 900.

*Platinum—Dec. 562.9 (563.0), Jan. 566.0-567.0 (568.5), April 593.0, July 620.0, Oct. 647.8, Jan. 674.8. Sales: 1,384.

§Silver—Dec. 1527.0 (1560.0), Jan. 1536.0 (1565.0), Feb. 1564.0, March 1590.0-1595.0, May 1645.0, July 1682.0, Sept. 1730.0, Dec. 1797.0, Jan. 1820.0, March 1866.0, May 1912.0, July 1958.0, Sept. 2004.0. Sales: 4,500. Handy and Harman bullion spot 1540.0 (1572.0).

CHICAGO, December 18.

Chicago Imm Gold—Dec. 571.0 (576.0), Jan. 578.0 (584.0), March 590.5-593.0, April 600.3, June 616.0-617.5, July 625.4, Sept. 642.5, Oct. 651.1, Nov. —, Dec. 670.0-667.0.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 283.10 (286.0).

INDICES

FINANCIAL TIMES

Dec. 18	Dec. 17	Month ago	Year ago
260.12	260.83	272.41	253.48

(Base: July 1, 1952=100)

MOODY'S

Dec. 18	Dec. 17	Month ago	Year ago
1219.5	1217.2	1315.0	1243.8

(December 31, 1931=100)

DOW JONES

Dow Jones	Dec. 18	Dec. 17	Month ago	Year ago
Spot	432.30	420.29	472.49	420.71
Fut'res	476.43	474.69	501.36	426.91

(Average 1924-25-26=100)

REUTERS

Dec. 19	Dec. 18	M'nth ago	Year ago
1721.4	1724.3	1769.4	1704.2

(Base: September 18, 1931=100)

Underwater company gets a further £4m

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE NATIONAL Enterprise Board and Brown and Root (UK) are committing another £2m into British Underwater Engineering (BUE), the specialist group formed last year to provide underwater services and products.

A further £2m is being injected by a new shareholder in the group, North Sea Assets, an Edinburgh-based investment company specialising in the offshore service industry.

The introduction of North Sea Assets as an investor is seen as the first stage in the eventual return of BUE to the private sector. BUE was formed by the acquisition of the majority of Vickers' offshore interests, after they incurred heavy losses under Vickers. The NEB also brought in Brown and Root (UK) and appointed new management which set about restructuring the group.

The NEB's current holding is 90 per cent, but this will be progressively reduced to 71.7 per cent on conversion into equity by North Sea Assets of its 18.33 per cent investment which is being made initially in British Oceanics, a subsidiary of BUE. This will probably take place over three years. The intention is that Brown and Root's stake will stay at 10 per cent.

The finance raised in this way is being use by BUE to buy five support vessels and 11 manned and unmanned submersibles, previously owned by Intersub, a company owned by Northern Offshore. Intersub ceased trading in July. BUE says the acquisition provides it with improved technology and a more cost effective fleet of submersible support vessels, enabling it to provide a wider range of services.

The NEB has now committed £7.8m to BUE since March 1979. The total financing of the group (including North Sea Assets) amounts to £10.9m. BUE claims to be the largest company of its type in the world, with a turnover this year of £14m. It consists of several subsidiaries, the newest being BUE Ships which is to be based in Leith and will operate the eight support vessels. These will be used primarily for the support of the manned and unmanned submersibles, but some will be available for other offshore roles.

The introduction of private sector capital into BUE is in line with the policy guidelines for the NEB laid down by the Government in the recent Industry Act. Although there are no plans for the NEB to dispose of its stake in BUE, this will be progressively diluted as the group's expansion plans are realised through a mixture of NEB and private sector money.

Pilotage ruling is setback for continental ferries

BY WILLIAM HALL, SHIPPING CORRESPONDENT

CONTINENTAL ferry companies have suffered yet another setback in their attempt to dispense with pilots when entering British ports.

Mr. Justice Vinelott dismissed an action by six Danish masters and their employer, DFDS ferries, seeking an order that Trinity House should examine them for UK pilotage certificates within seven days. By consent, he also dismissed a similar action by five German masters employed by Prins Ferries.

Under the 1979 Merchant Shipping Act, foreign masters of ferries are now allowed to be issued with pilotage certificates which exempt their companies from paying pilotage dues. However, British pilots are concerned that this will put their jobs at risk.

So far, some Brittany Ferries masters have been examined for pilotage certificates for Portsmouth and Plymouth, and the Dutch masters of North Sea Ferries are to be examined, following intervention by the Government.

But the London pilotage district, under the aegis of Trinity House, has opposed the issue of certificates in its district pending reorganisation.

The Pilotage Commission has stepped into the dispute, temporarily supporting Trinity House. Under section 10 of the Merchant Shipping Act it has advised the London pilotage district not to issue any certificates for the time being. It will review the matter at a meeting on January 29.

The judge said that the Pilotage Commission's action justified Trinity House in not granting certificates until the Commission has considered the matter further. The judge also questioned whether his court was the right place for the issue to be debated.

"In my judgment, the plaintiffs have not established that the court has any jurisdiction to grant the mandatory powers sought, irrespective of any determination which may in the future be made by the Pilotage Commission."

DFDS said last night it was disappointed at the decision, which it believes was wrong and based on a technicality. It will appeal, and says it will take the case to the European Court of Justice if necessary.

BA reducing staff

BY OUR AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is making progress in reducing staff. Last Christmas, the airline employed 57,250 people, and the number is now about 54,000.

"The reduction, achieved quickly, painlessly and sensibly, will continue throughout 1981," according to Mr. Roy Watts, chief executive.

The reductions have been achieved by early retirement, non-replacement of staff who leave, and redeployment where necessary.

Mr. Watts told staff that while a lot of things had gone wrong in world business—most of them outside BA's control—"a lot of things we do control have gone very right indeed."

Among these were departure punctuality at Heathrow—"roughly twice as good as it was a year ago"—the introduction of fleets of Boeing 737s, and the success of new cheap fares in Europe.

British Airways' industrial relations record during the year had been excellent, Mr. Watts said, and "most important of all, perhaps," staff numbers were being reduced.

Mortgage cut 'unlikely to raise price of houses'

BY MICHAEL CASSELL

HOUSE PRICES remain stable and are not expected to rise as a result of the cut in mortgage rates, according to the Royal Institution of Chartered Surveyors.

The latest RICS survey on the housing market shows that the standstill in prices continued until November and has become more marked.

Three-quarters of estate agents taking part in the survey reported no change in prices, although fewer agents said prices were actually falling.

Mr. John Thomas, the Institution's housing spokesman, said: "The continuing stability in house prices for the first time since the war is due to a number of factors.

"These include a good choice of properties, more sellers than buyers, the limits on purchasing power, lower wage settlements, the cost of moving and uncertainty on the length of the business recession."

But Mr. Thomas said there were some regional variations, with areas of high unemployment showing a slight fall in prices. Pre-1919 terraced houses and new properties continued to record the highest price rises, ranging from about 2 per cent to 5 per cent.

The RICS says the modest cut in mortgage rates will not boost prices, although the usual upturn in activity is likely in the spring. Any price rises are not, however, expected to exceed an average of about 2 per cent a quarter.

London roads inquiry

BY LYNTON McLAIN

THE MPs on a House of Commons Committee who said London's road system was a "national scandal" are to investigate all aspects of transport in London, starting early next year.

London was "one of Europe's most congested traffic bottlenecks," the MPs on the transport select committee said in a report on Britain's road programme earlier this week.

However, roads policy would be only one aspect of the MPs' inquiry. Other questions to be asked by the committee when it starts work in February include:

- To what extent is there, or should there be a comprehensive strategy for freight and passenger transport in London?
- Is there a case for the development of major new railway schemes or other, new urban rapid transit systems?
- Should the London Transport Executive or some other body have passenger transport executive status and acquire powers to set levels and structure of British Rail fares and service in London?

Stock Exchange dealings

Thursday, December 18	16,218
Wednesday, December 17	16,985
Tuesday, December 16	18,187
Monday, December 15	17,082
Friday, December 12	19,090
Thursday, December 11	18,456

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the date shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or a purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

• Bargains at Special Prices. Δ Bargains done with or between non-members. ⊘ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (354)

CORPORATIONS (14)

FREE OF STAMP DUTY

SHORT DATED

FREE OF STAMP DUTY

PUBLIC BOARDS (7)

FREE OF STAMP DUTY

COMMONWEALTH GOVTS. (6)

REGISTERED AND INSCRIBED STOCKS

FOREIGN STOCKS (—)

COUPONS PAYABLE IN LONDON

INTERNATL.

Kollmorgen Internatl. Fin. N.V. 8pcCnv. Gtd.Dbs. 1995 113 (16/12)

CORP. STOCKS—FOREIGN

Moscow (City) 5pcBds. 2 (12/12)

BANKS (71)

Allied Irish Bks. (£0.25) 112½⊘ 12
Ansbacher (Henry) Hldgs. (5p) 13¼ (15/12)
Arbuthnot Latham Hldgs. 230 (17/12)
Australia New Zealand Bkg. Grp. ($A1) 258⊘
Bk. of Ireland Stk. Ur.£1) 290. 7pcLn. 57⊘
Bk. of Montreal ($C2) 11¼ (16/12)
Bk. of New South Wales (Lon. Reg.) ($A1) 147 (16/12)

BREWERIES (66)

COMMERCIAL (1,057)

A—B

British Tar Prods. (10p) 23 (12/12)
Brockhouse (25p) 30½ 30 (17/12)
Brocks Grp. (10p) 20
Broken Hill Prop. ($A2) 782⊘ 5 95 90 609
Bronx Eng. Hldgs. (10p) 14 (16/12)
Brook Street Bureau of Mayfair (10p) 39½
Brooke Bond Leibig (25p) 47½⊘ 6½⊘
Brooke Tool Engrng. (Hldgs.) (25p) 47½ (17/12). New (25p) 40½ (12/12)
Brotherhood (P.) (50p) 139⊘ 8⊘
Brown Boveri Kent (Hldgs.) (25p) 21½ (17/12)
Brown Boveri Kent 6pcDb. 55 ¼ (16/12)
Brown (J.) and Co. (25p) 92 60
Brown (N.) Invest. (20p) 42⊘
Brent Walker (5p) 65
Bridgend Processes (5p) 3 4 (16/12)
Bridon (25p) 41½⊘ 2⊘
Bristol Evening Post (25p) 103
British Aluminium (50p) 145. 6pcPf. 42½ (17/12)
British-American Tobacco 5pcPf. 40½⊘
British Car Auction Grp. (10p) 72 (16/12)
British Dredging (25p) 16
Brit. Elect. Tract. Old. (25p) 127 6
British Enkalon (25p) 6½ (17/12)
British Home Stores (25p) 197. 5½pcDb. 57¼⊘. 6½pcDeb. 58¾ (16/12). 6pc Ln. 111½ (18/12)
British Mohair Spinners (25p) 26 (17/12)
British Shoe Corpn. 7pcLn. 81 (15/12)
British Sugar Corp. (50p) 270 (17/12)
British Syphon Industs. (20p) 52 (12/12)

C—D

E—F

G—H

Gieves (20p) 36 (15/12)
Gill Duffus (25p) 199
Giltspur (10p) 139⊘ 29⊘
Glaxo 6½pcLn. (50p) 27 (17/12)
Glaxo Hldgs. (50p) 248⊘ 54 50 46 52. 7½pcLn. 96½ (17/12)
Glossop (W. J.) (25p) 45⊘
Glynwed (25p) 96
Goldberg (A.) Sons (25p) 65 (12/12)
Goodkind (W.) Sons (10p) 38 7½ (12/12)
Gordon (Luis) (10p) 39 (16/12)
Gostorth Indl. (10p) 28⊘
Grampian (25p) 49
Granada A (25p) 177
Grand Metropolitan (50p) 152⊘ 6⊘ 3 2
Grattan Warehouses (25p) 64⊘ 6⊘ 8

I—J—K

L—M

N—O—P

Q—R—S

Simon Engg. (25p) 299⊘ 67 6. 9¼pcDb. 68½⊘
Singlo Group 15pcLn. 87 ⅛ (13/12)
Sirdar (25p) 109
600 Group (25p) 92 (18/12)
Sketchley (25p) 251⊘ 3. 4.2p). 115 (15/12)
Smith Hephew (10p) 88¾⊘ ¼ 7¼ 8 9. 8pcLn. 153 (11/12)
Smith Bulmer 6pcPf. (50p) 13 (15/12)
Smith (W. H.) A (50p) 129. 6 (10p) 25 (16/12). 6½pcLn. 36 (16/12). 7¼pcLn. 60¼ (16/12).
Smith Whitworth (5p) 9. 7½pcPf. 41
Smiths Inds. (50p) 255 9 7 9 (12/12). 7½pcLn. 116
Smurfit (Jefferson) 133⊘
Sony Cpn. Euro.Dep.Rcpts. 630⊘ (17/12)
Sotheby Parke Bernet (25p) 466⊘ 68 76
Sound Diffusion (5p) 77
Sparrow (G. W.) (20p) 65 (12/12)
Spear Jackson Intl. (25p) 100⊘
Spirax-Sarco Engg. (25p) 162 (17/12)
Spring Grove Services (10p) 91½ (17/12)
Staffordshire Potteries (Holdings) (25p) 43 (16/12)
Stag Furniture Holdings (25p) 89½ ¾ (15/12)
Stakis (Reo.) Organisation (10p) 48½
Standard Industrial Group (25p) 100 (18/12). 11½pcPf. 68 (17/12)
Standard Telephone Cables (25p) 444 (15/12)
Staveley Industries 223 (12/12)
Stead Simpson A (25p) 42 (17/12)
Steel Brothers Holdings 9pcLn. 1990-85 61 (12/12)
Steetley (25p) 162⊘
Steinberg Group (10p) 14 (15/12)
Stephen (Alexander) Sons (10p) 22 (17/12)
Sterling Industries (2½p) 30 (12/12)
Stocks (Joseph) Sons (Holdings) (10p) 147 (17/12)
Stoddard (Holdings) A N-Vtg. (25p) 16 (17/12)
Stone-Platt Industries (25p) 16 20
Strong Fisher (Holdings) (25p) 54
Sturla Holdings (10p) 10¼ (12/12)
Stylo Shoes (25p) 143 40 5 (17/12)
Sumrie Clothes (20p) 21 (17/12)
Suter Electrical (5p) 44 (15/12). Old. (5p) 40
Sylone (25p) 171⊘

T—U—V

TACE (10p) 25 (19/12)
Talbex Group (5p) 4¼ ½ (19/12)
Tarmac (50p) 255⊘. 9¼pcDb. 1986-94 58¼⊘. 8¼pcLn. 1990-95 60 (17/12)
Tate and Lyle 129. 7¼pcDb. 1989-94 61½ ¼ (19/12). 7½pcLn. 2003-08 58¼ ¼ (12/12)
Tate of Leeds (25p) 91 (12/12)
Taylor Woodrow (25p) 432⊘ 3. 7¾pcLn. 1987-90 92 (12/12)
Tecalemit (25p) 41 (16/12)
Telefusion A N-Vtg. (5p) 28 (12/12)
Telephone Rental (25p) 267⊘ 5⊘ 7
Tern-Consulate (25p) 38 (16/12)
Tesco Stores (Holdings) (5p) 56⊘ 6⊘ 5
Thomas Nationwide Transport ($A0.50) 121 (16/12). New ($A0.50) 80 (16/12)
Thomson Org. 21.7pcPf. (25p) 60¼ (13/12)
Thorn EMI (25p) 214⊘ 14 12

W—Y—Z

ELEC. LIGHT & POWER

FINANCIAL TRUSTS (37)

GAS (5)

Imperial Continental Gas Assn. 285⊘ 85 3 5

INSURANCE (58)

Britannic (5p) 218
Commercial Union Assur. (25p) 135⊘ 80 5 6. 5pcPf. 39 (18/12)
Eagle Star Hldgs. (25p) 229 5 2
Ennia Finance (UK) 6pcCnv.Gtd.Uns.Ln. 127
Equity Law Life (5p) 298⊘
General Accident Fire Life (25p) 295 7¼pcUns.Ln. 69 (12/12). 7¾pcUns.Ln. 58½
Guardian Royal Exchange (25p) 298⊘ 6. 7pcPf. 60 (16/12). 7pcUns.Ln. 58½⊘
Hambro Life (5p) 273 7 9
Heath (C. E.) (20p) 178⊘
Hogg Robinson Grp. (25p) 110⊘
Howden (Alex.) Grp. (10p) 95
Legal General Grp. (25p) 196 (16/12)
London Manchester (5p) 188⊘
London Utd Invsts. (20p) 165 (15/12)
Marsh McMennan ($US1) £13 (17/12)
Pearl (5p) 406⊘ 4
Phoenix (25p) 250 2 (17/12)
Prudential Cpn. (25p) 224⊘ 26 2 3
Refuge (5p) 202¼ 3 (17/12)
Royal (25p) 353 5 2
Sedgwick Grp. (10p) 125⊘ 7 5
Stenhouse Hldgs. (25p) 63
Sun Alliance London 708
Sun Life (5p) 247⊘ 6
Willis Faber (25p) 276 (12/12)

INVESTMENT TRUSTS (55)

Aberdeen Invests. (25p) 186
Aberdeen Tst. (25p) 125
Alliance Tst. (25p) 240⊘ 1
Allifund Cap. (50p) 292 (16/12)
American Tst. (25p) 62½⊘
Anglo Amer. Secs. (25p) 120 (12/12). 4pcDb. 70 (15/12)
Ashdown Invest. Tst. (25p) 178
Atlantic Assets Tst. (25p) 241. New (25p) 242 (19/12)
Atlas Elec. Gen. Tst. (25p) 61½ (17/12)
Bankers' Invest. Tst. 3.4pcPf. 39 (17/12)
Bishopsgate Tst. (25p) 237 (12/12)
Border Southern Stkhldrs. Tst. (10p) 77
Bremar Tst. New (25p) 4 pm (16/12)
Brit. Amer. Gen. Tst. (25p) 47⊘
British Assets Tst. (25p) 95 7 (16/12)
Broadstone Invest. Tst. (20p) 192 (16/12)
CLRP Invest. Tst. (25p) 89 ¼ (15/12)
Cambrian Gen. Secs. (25p) (22 (15/12)
Cedar Invest. Tst. (25p) 86 (16/12)
Channel Islands Inter. Capital 210 (15/12)
City Comml. Income (25p) 33½ (17/12). Capital 210 (17/12)
Claverhouse (50p) 121 (16/12)
Construction Hldgs. (20p) 178
Continental Industrial (25p) 270 (16/12)
Crescent Japan (50p) 224 (15/12)
Drayton Commercial (25p) 150 (12/12)
Drayton Far Eastern (25p) 95
Drayton Consolidated (25p) 159 (16/12)
Drayton Premier (25p) 211. 5pcPf. 57½ (16/12). 7½pcLn. 1995 126 (17/12). 7½pcALn. 1993 125 (17/12)
Dualvest Capital 387 (12/12)
Edinburgh (25p) 62½ ¼ 3 (12/12)
Electric General (25p) 105 (15/12)
English International (25p) 114 (17/12)
English New York (25p) 88 (17/12)
English Scottish (25p) 83½ (16/12)

EOC opposes changes in maternity benefit system

BY ERIC SHORT

THE EQUAL Opportunities Commission has rejected the Government's proposals made a few months ago regarding changes in the maternity benefit system.

These proposals would lead to a loss of income for working women as well as changing the whole purpose of maternity benefit payments.

The present social security system pays a lump sum maternity grant to pregnant women, a maternity allowance providing a weekly income during the latter weeks of pregnancy and the first weeks after the birth.

There is also maternity pay provided by the woman's employer and then reclaimed from the Government. The Government made various proposals to combine these benefits without increasing expenditure.

The EOC points out in its evidence that the various benefits each fulfil a specific function.

The maternity grant helps with the extra expenses involved in the birth of a baby. The maternity allowance enables a woman to stop working when she feels that to continue would endanger her health and that of the unborn child. Maternity pay helps a woman adjust to a lower income once she stops work.

The EOC considers that the present system is unsatisfactory in many ways. But it feels that any review of the system should be broadly based and not done piecemeal, and that no real improvements can be made until more money is available. Until that happens the EOC would like the present system left unchanged.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Davy Corp.	25p	6	171	+ 1	175	76
LASMO	25p	6	735	+10	885	337
GKN	£1	5	133	− 3	279	133
New Court Nat.	5p	5	87	+ 3	118	32
Shell Transport	25p	5	478	− 2	522	314
Beecham	25p	4	169	+ 2	173	108
GEC	25p	4	593	+ 6	618	326
Greenall Whitley	25p	4	227	+ 4	227	157
ICI	£1	4	330	+ 2	402	314
Johnson Matthey	£1	4	210	−13	284	102
Marks & Spencer	25p	4	113	+ 1	121	77
Midland Bank	£1	4	344	− 4	384	308
Premier Cons.	5p	4	107	+ 1	127	35
Tesco Stores	5p	4	54½	− ½	75	50
Thorn EMI	25p	4	315	+ 1	380	260

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
Sovereign Oil	25p	71	427	+70	500	101
Davy Corp.	25p	43	171	+40	175	76
BP	25p	39	428	+10	502	320
LASMO	25p	39	735	+10	885	337
Shell Transport	25p	37	478	+ 6	522	314
GEC	25p	35	593	+ 1	618	326
GKN	£1	33	133	− 8	279	133
Ultramar	25p	32	505	+ 7	533	206
Beecham	25p	31	169	+12	173	108
ICL	25p	31	72	+ 2	196	68
ICI	£1	29	330	+10	402	314
Plessey	50p	27	269	− 3	285	108
Premier Cons.	5p	27	107	− 6	127	36
Racal Electronics	25p	24	329	− 5	370	175
Royal Insurance	25p	24	353	−30	480	307

PROPERTY (45)

Allied London Properties (10p) 169 8 (18/12)
Amalgamated Estates (5p) 22 (15/12)
Aquis Securities (5p) 39½ (12/13)
British Land (25p) 80. 12pcLn. 2002 299 (17/12)
Brixton Estate (25p) 119 (16/13)
Capital Counties Property (25p) 105@. 6¼pc1stDb. 1993-90 51½ ½ (12/12)
Carrington Investments (50p) 149½ (17/12)
Central Dist. Prop. 6¾pcLn. 1980-82 89
Centrovincial Estates (20p) 161 (15/12)
Chesterfield Properties (25p) 347 (12/12)
City Offices (25p) 95 (16/12)
Country and New Town Properties (10p) 54 ½

South African (54)

African and European Inv. 6pcPf. (R2001) 40 (17/12)
Anglo-American Coal Corp. (R9.50) 14¼ (16/12)
Anglo-American Corp. of S. Africa (R0.10) 7160 190 29 17
Anglo-American Gold Inv. (R1) US$121 (17/12)
Anglo-Transvaal Cons. (R0.50) US$41.50 (22/12)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	13¾	½-year	1,000	5-7

BUILDING SOCIETY RATES

	Deposit rate	Share accounts	Sub'pn shares	*Term shares
	%	%	%	%
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 11.75 3 mths.
Anglia	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	11.25 3 months. Escalator shares 11.00-12.50 (1-5 years)
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.75 2 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.25	12.25	—
Catholic	10.50	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.90 1 year (min.), 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mths. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yr., 11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yr., 12.00 4 yr., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.30 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	10.75 6 mths., rising to 12.50 5 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mth., 11.75 3 mth., min. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., 12.00 6 months' notice
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., opt. from 10.75 6 mths.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
Melton Mowbray	10.35	10.60	11.75	13.10 6 yrs., 12.10 4 yrs., 11.35 2 yrs.
Mornington	11.25	11.75	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.00 1 yr.
New Cross	11.00	11.25	—	11.25 12.50 on share accs., depending on min. balance over 6 mths.
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 mth., 12.00 wdl. 1 mth. loss int.
Peckham Mutual	10.50	11.00	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Portsmouth	9.35	9.55	11.05	11.60 5 yrs. to 11.00 6 mths.
Property Owners	10.25	11.00	12.25	12.50 av. 4 yrs., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 11.60 wdl. 1 mth. loss int.
Sussex County	10.50	10.75	12.55	12.65 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-12.50 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 min. 3 yrs., 6 mth. notice of wdl.
Woolwich	10.25	10.50	11.75	10.75 (6 mths.), rising to 12.5 (5 yrs.)

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

* Denotes Irish currency.

DECEMBER 18

American Oil Field Systems 82
Baker Electronics 80
Cambridge Petroleum Royalties 2d5
Carlton Real Estates 18½ 19
Ceylon and Indian Planters 212
CIC Inv. (10) 2½
Edinburgh Securities 374
Eldridge Pope A 295
GRA Property Tst. 15
Hemerdon Mining and Smelting 87
Intervision Video Pld. 29
Intervision Video 7pcCnv.Pf. 113
Kenmare Oil Exploration 22½
Le Riches Stores 255
Lyncom 3
Manchester Utd FC 177
New Court Natural Resources 82 3 4 5 8
Norton Villiers Triumph 2
Oldham Brewery 74
ORE 128
Quest Automation 150
SPO Minerals 115

DECEMBER 17

Alliance Building Society 14¾pcBds. £100¼ 1⅛
American Oil Field Systems 57 ½ 60 2
Bonusbond 125 7
Brint Invs. 329
CIC Inv. (10) 2½ 3¼ 2½
Carlton Real Estates (8p) 18½
Carlton Real Estates (10p) 17½
Carlton Real Estates 10pcCnv. £93
Clairmace 10½
Conroy Petroleum and Natural Resources 150*
Deltanne 12
Edinburgh Securities 269 73
Eldridge Pope A 292
GRA Property Tst. 14½ 15
Harrison Cowley 74⅞ 5
Harvey and Thomson New 46 8 51 5 8
Intervision Video Pld. 29½ 30 28
Intervision Video 7pcCnv.Pf. 114
Kenmare Oil Exploration 22
Kuala-Perang Rubber Plantations 18
Minining Electronic 2½
NMW Comet. 850 5 80 5 86
Netlorwide Leisure 6½
New Court Natural Resources 73 82 3 4 5
North Sea Assets 165
ORS 122
Quest Automation 147 9 50
SPO Minerals 113 15
Wessex Water Authority 5¼pcStk. £52
Winchester London Tst. 7½
Yelverton Invs. 39

DECEMBER 16

Airship Industries 91
Aston Villa FC £9

DECEMBER 15

Adnams & 855
American Oil Field Systems 58 60 2
Ann Street Brewery 257
Asprey £34½
Baker Electronics 73
Borelli Tea 185
Brim Invs. 315 29
Caledonian Offshore 150
Cambridge Petroleum Royalties 285 7 75 80
Carlton Real Estates 17
Ceylon and Indian Planters 218
Channel Hotels and Properties 15½

Sampong (Java) Rubber Plantations 10
Southern Newspapers 145 50
SPO Minerals 113 14 15
Star Offshore Services 36
Tom Hill 10
Voralian Pfd. 4
Webber Electro Components 105 4
Welsh Industrial Inv. Tst. 178
Winchester London Tst. 9
Yelverton Invs. 37

DECEMBER 12

American Oil Field Systems 57 62 3
Bonusbond 127 8

DECEMBER 18

Aran Energy 280 3d5 10 15
Berkeley Exploration and Production (50p Paid) 345 8 ½ 8 9 59 5 5 8 69 2
Candecca Resources 228 39 ½ 2 4
CCP North Sea Associates 287
Floyd Oil Participations 142 5 8
Gas and Oil Acreage 430
Marinex Petroleum 138
Pict Petroleum 359
Sun Oil Company (UK) Oil Royalty Stock 380 98 400

DECEMBER 12

Aran Energy 302 5 5 19
Berkeley Exploration and Production (50p Paid) 239 1 2 3 5 0
Candecca Resources 233 3 4 5 7 8 9 40 1 2
CCP North Sea Associates 263
Floyd Oil Participations 145 7
Marinex Petroleum 140
Pict Petroleum 320 5 30 2
Sun Oil Company (UK) Oil Royalty Stock 358 5 68 5 70 80

(By permission of the Stock Exchange Council)

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent (from November 24, 1980)

The Treasury bill rate fell by 0.0017 per cent at yesterday's tender to 13.1347 per cent, and the minimum accepted bid rose to £96.725 from £96.71. Bids at that level were met as to about 84 per cent and above in full. The £200m bills on offer attracted bids of £587.74m, and all bills offered were allotted. Next week a further £200m will be on offer, replacing a similar amount of maturities.

In the money market discount houses found difficulty in obtaining funds, and the authorities gave assistance on a moderate scale. This comprised small purchases of Treasury bills, local authority bills and commercial bills. This came despite a moderate excess of Government disbursements over revenue transfers to the Exchequer and balances brought forward a small way above target by the banks. This was countered by a further moderate rise in the note circulation. Discount houses were paying 13¾-14 per cent for secured call loans at the start, with later balances taken also between 13¾ per cent and 14 per cent.

In the interbank market weekend money opened at 14½-14⅝ per cent and stayed around this level until early afternoon. Rates touched 15 per cent later in the day but closing balances were taken in the region of 10 per cent.

EXCHANGES AND BULLION

The dollar was weaker in currency markets yesterday, undermined by a growing belief that U.S. interest rates are likely to reach their peak in the near future. Consequently Friday's move by some banks to 21½ per cent prime rates failed to support the U.S. unit, and it finished well down from Thursday's closing levels. The weaker trend was also reflected in Euro-dollar rates which fell quite sharply in places. Three-month Euro-dollars fell to 20 per cent from 21½ per cent. Trading was very thin ahead of the weekend, Christmas and the New Year, and market rates were easily distorted by relatively small amounts of business. Against the D-mark the dollar closed at DM 1.9750 compared with DM 1.9910, and SwFr 1.8030 from SwFr 1.8060 in terms of the Swiss franc. It was also weaker against the Japanese yen, finishing lower at Y208.10 against Y209.40 previously.

On Bank of England figures, the dollar's trade weighted index fell from 87.9 to 87.4.

Sterling was mostly firmer, and its trade weighted index finished at 77.6 from 77.4 on Thursday, having stood at 77.8 at noon, and 77.5 in the morning. Against the dollar it opened at $2.3190 and rose to $2.3250 at noon. During the afternoon dollar weakness pushed in a best level of $2.3460, and it closed at $2.3410-2.3430, a rise of 1.55c.

Gold rose $10 an ounce in the bullion market to close at $585-586.

THE POUND SPOT AND FORWARD

Dec. 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3190-2.3460	2.3410-2.3430	1.40-1.60c dis	−7.68	2.90-3.20dis	−5.21
Canada	2.7800-2.7950	2.7910-2.7930	0.75-0.85c dis	−3.65	1.65-1.95dis	−2.58
Nethlnd.	5.01-5.06	5.02¾-5.03¾	3-2c pm	5.96	6½-5½ pm	4.77
Belgium	74.20-74.90	74.65-74.75	20-10c pm	2.41	44-34 pm	2.09
Denmark	14.15-14.23	14.18-14.19	3¼-1½ore pm	2.22	1½ pm-1½ dis	—
Ireland	1.2390-1.2490	1.2440-1.2450	0.23-0.08p pm	1.49	0.43-0.26 pm	1.11
W. Ger.	4.61-4.65	4.62-4.63	2½-1½pf pm	6.51	6-5 pm	4.76
Portugal	124.70-125.90	125.60-125.80	18c pm-65 dis	−2.24	10-140 dis	−2.39
Spain	185.70-187.20	187.10-187.20	30-120c dis	−4.81	215-370 dis	−6.25
Italy	2.194-2.214	2.211½-2.213½	6½-8½ lire dis	−4.20	22½-26¾ dis	−4.38
Norway	12.05-12.14	12.12½-12.13½	6½-4½ore pm	6.10	10½-8½ pm	3.09
France	10.68-10.75	10.74-10.75	4¼-3½c pm	4.16	8½-7½ pm	2.88
Sweden	10.29-10.39	10.37-10.38	3½-4½ore dis	−4.48	10½-11½ dis	−4.19
Japan	483-490	487-488	2.70-1.95y pm	5.72	5.10-4.00 pm	3.74
Austria	32.73-32.95	32.77-32.82	11-6gro pm	3.11	25-14 pm	2.38
Switz.	4.20-4.26	4.21½-4.22½	3½-2½c pm	8.17	7½-6½ pm	6.89

Belgian rate is for convertible francs. Financial franc 74.90-75.00. Six-month forward dollar 3.10-3.40c dis, 12-month 3.00-3.50c dis.

GOLD

	Dec. 19		Dec. 18	
Gold Bullion (fine ounce)				
Close	$585-586	(£248½-250)	$575-576	(£246¼-247½)
Opening	$575-578	(£246-247½)	$577-580	(£247½-249)
Morning fixing	$575.50	(£245.978)	$577	(£248.279)
Afternoon fixing	$575	(£246.043)	$575.56	(£246.528)
Gold Coins				
Krugerrand	$608-610	(£260-261½)	$591-593	(£254-255½)
1/2 Krugerrand	$309-314	(£132½-134½)	$305-308	(£130¼-132¼)
1/4 Krugerrand	$156¼-160¼	(£66½-68½)	$152-157	(£65¼-67½)
1/10 Krugerrand	$63-66	(£27-28½)	$61¾-64¾	(£26½-27¾)
Mapleleaf	$593-607	(£258-260)	$586-590	(£251¾-253¾)
New Sovereigns	$149½-150½	(£64-64½)	$145¼-146½	(£62½-93¼)
King Sovereigns	$167½-169½	(£71½-72½)	$167½-169½	(£72-73)
Victoria Sovs.	$167½-168½	(£71½-72½)	$167½-169½	(£72-73)
French 20s	$161-164	(£69-70½)	$162-164¼	(£69½-70½)
50 pesos Mexico	$718-721	(£307½-308½)	$718-721	(£308½-309½)
100 Cor. Austria	$562-566	(£240½-242½)	$562-566	(£241½-243½)
$20 Eagles	$678-682	(£290½-292)	$678-682	(£291½-293)

EXCHANGE CROSS RATES

Dec. 19	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.342	4.625	487.5	10.745	4.225	5.033	2215.	2.792	74.70
U.S. Dollar	0.427	1.	1.975	208.2	4.588	1.803	2.149	944.7	1.192	31.90
Deutschemark	0.216	0.506	1.	105.4	2.323	0.913	1.088	478.4	0.604	16.15
Japanese Yen 1,000	2.051	4.804	9.487	1000.	22.04	8.662	10.32	4538.	5.727	153.2
French Franc 10	0.931	2.180	4.304	453.7	10.	3.930	4.684	2050.	2.598	69.52
Swiss Franc	0.237	0.555	1.095	115.5	2.545	1.	1.193	524.0	0.661	17.60
Dutch Guilder	0.199	0.465	0.919	96.87	2.135	0.839	1.	439.5	0.555	14.84
Italian Lira 1,000	0.452	1.059	2.090	220.3	4.856	1.908	2.275	1000.	1.262	33.75
Canadian Dollar	0.358	0.838	1.667	174.8	3.848	1.513	1.802	782.4	1.	26.75
Belgian Franc 100	1.339	3.135	6.191	652.5	14.38	5.955	6.737	2993.	3.738	100.

FT LONDON INTERBANK FIXING (11.00 a.m. DECEMBER 19)

3 months U.S. dollars		6 months U.S. dollars	
bid 20 1/8	offer 20 1/4	bid 17 11/16	offer 17 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates of $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Dec. 19 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-16	14½-14¾	—	—	14¾	13½-14	—	—	—
2 days notice	—	—	14¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14½-14⅞	14⅝-14¾	—	15	14⅞-15	13⅝-13¾	—	—	—
One month	14¾-14⅞	14⅝-14¾	14⅝-14¾	16½ 15¾	15⅛	15-15⅛	13⅝	13⅛-13⅛	14½	14½
Two months	14½ 14⅞	14⅝ 14¾	—	15⅛-15⅛	15⅛	16⅛	13½	13⅛	14⅛-14⅛	14⅝
Three months	14½ 14⅞	14⅛-14⅛	14⅛-14⅛	14⅝-15	15⅛	15⅛-15⅛	10⅛	13⅛	14	14½
Six months	14½-14⅛	14⅝-14⅝	14⅝-14½	14⅝-14¾	15	15⅛	—	—	13⅛-13½	13¾
Nine months	14⅛-13⅛	14⅛ 14⅛	—	14⅝-14¾	14⅝	16	—	—	—	—
One Year	13⅛-13¾	14⅛-14⅛	14-14⅛	14-14⅛	14⅝	14¾	—	—	—	—
Two years	—	—	13¾-14	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13¾-14 per cent; four years 13¾-14 per cent; five years 13¾-14 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞ per cent; four-month trade bills 14½ per cent.

Approximate selling rate for one-month Treasury bills 13⅛-13⅛ per cent; two-months 13⅛-13⅛ per cent; three-months 13⅛-13⅛ per cent. Approximate selling rate for one-month bank bills 14⅛ per cent; two-months 14⅛ per cent; three-months 13⅞ per cent; one-month trade bills 14½ per cent; two-months 14⅛ per cent and three-months 14¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from December 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.1347 per cent.

CURRENCY MOVEMENTS

Dec. 19	Bank of England Index	Morgan Guaranty Changes %
Sterling	77.6	−29.8
U.S. dollar	87.4	−6.6
Canadian dollar	79.7	−18.6
Austrian schilling	147.2	+21.7
Belgian franc	111.3	+11.0
Danish kroner	102.3	−7.0
Deutsche mark	146.9	+40.5
Swiss franc	187.8	+79.4
Guilder	123.0	+18.0
French franc	86.9	−7.7
Lira	50.1	−52.8
Yen	141.6	+38.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Dec. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14¼-14¾	20⅝-20⅞	15-15¾	8¾-8⅞	¾-1	8½-8⅝	10⅝-10⅞	13½-15½	10-10½	7½-8¼
7 days' notice	14⅝-14⅞	20½-20¾	15-15¾	9-9½	¾-1¼	8⅝-8¾	10⅝-10⅞	15-17	11½-11½	8⅝-8⅞
Month	14⅞-16	22⅝-22⅞	17⅝-18⅝	9¼-9⅞	7⅝-7½	10⅛-10¼	11⅝-11⅞	18-19	12-12⅛	8¾-10
Three months	14¾-14⅞	19⅞-20⅛	17¼-18	9⅝-9⅞	7⅛-7⅜	10⅛-10⅛	12-12¼	19½-20½	12⅛-13	10-10⅛
Six months	14½-14⅝	17⅝-17⅞	15¼-16	10-10⅛	7⅛-7⅛	8¾-9⅛	12⅛-12⅛	19½-20½	15-15⅛	10⅛-10⅝
One Year	14⅛-14⅝	15¾-19	14⅝-16⅛	10⅛-10⅛	6½-6⅝	9½-9⅝	12½-13¼	20-21	13⅛-15½	9⅝-9⅞

Asian $ (closing rates in Singapore) one-month 22⅛-22⅛ per cent; three-months 20⅛-20⅛ per cent; six-months 17⅛-17⅛ per cent; one year 15⅛-15⅛ per cent. Long-term Eurodollar two years 15-15⅛ per cent; three years 14⅝-15 per cent; four years 14⅝-14⅞ per cent; five years 14⅝-14⅞ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen: others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 21.20-21.30 per cent; three-months 19.45-18.55 per cent; six-months 17.00-17.25 per cent; one year 15.30-15.50 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	41.2264	+3.61	+1.14	±1.53
Danish Krone	7.72336	7.85550	+1.71	−0.76	±1.64
German D-Mark	2.48208	2.56288	+3.26	+0.79	±1.125
French Franc	5.84700	5.92338	+1.31	−1.16	±1.3557
Dutch Guilder	2.74362	2.78579	+1.54	−0.93	±1.512
Irish Punt	0.668201	0.687214	+2.85	+0.38	±1.669
Italian Lira	1157.79	1217.66	+5.17	+2.83	±6.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Dec. 19	£	$		£ Note Rates
Argentina Peso	4620-4640	1882-1889	Austria	32.60-33.90
Australia Dollar	2.0030-2.0070	0.8555-0.8560	Belgium	74.30-75.10
Brazil Cruzeiro	148.89-149.89	63.89-64.21	Denmark	14.11-14.21
Finland Markka	9.101-9.118	3.8970-3.8990	France	10.65-10.76
Greek Drachma	108.720-111.885	47.40-47.50	Germany	4.63-4.67½
Hong Kong Dollar	11.98½-12.00	5.1360-5.1410	Italy	2165-2190
Iran Rial	170.40*	73.20*	Japan	485-491
Kuwait Dinar (KD)	0.631-0.637	0.2722-0.2723	Netherlands	5.02½-5.07½
Luxembourg Frc.	74.65-74.75	31.90-31.92	Norway	12.02-12.12
Malaysia Dollar	5.1660-5.1856	2.2130-2.2160	Portugal	124½-134
New Zealand Dlr.	2.4615-2.4665	1.0510-1.0520	Spain	180½-188½
Saudi Arab. Riyal	7.71-7.77	3.3285-3.3305	Sweden	10.28-10.38
Singapore Dollar	4.9200-4.9450	2.1095-2.1115	Switzerland	4.19½-4.23½
Sth. African Rand	1.7070-1.7680	0.7545-0.7556	United States	2.31½-2.35½
U.A.E. Dirham	8.51-8.57	3.6710-3.6756	Yugoslavia	75-77

Rate given for Argentina is free rate. * Selling rate.

U.K. CONVERTIBLE STOCKS 20/12/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv. 2002	9.71	297.00	333.3	80-97	4.1	1.5	−0.4	−7 to 3	17.7	88.4	23.7	+24.2
Hanson Tr. 6½pc Cv. 88-93	3.02	103.00	57.1	76-81	6.4	6.3	−8.0	−9 to −5	3.8	0.0	−3.4	+4.6
Slough Ests. 10pc Cv. 87/90	5.44	250.00	187.5	78-85	4.0		0.3	−6 to 1	28.9	31.2	0.9	+0.7
Slough Ests. 8pc Cv. 91/94	24.88	118.00	78.0	80-91	6.8	5.7	13.7	8 to 17	26.4	46.4	19.2	+5.5

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

LONDON STOCK EXCHANGE

Big demand exhausts supplies of medium tap stock
Gilt-edged rise a point—Leading shares mark-time

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Dec. 8	Dec. 22	Dec. 23	Jan. 5
Dec. 24	Jan. 8	Jan. 9	Jan. 19
Jan. 12	Jan. 22	Jan. 23	Feb. 2

* "New time" dealings may take place from 5 am two business days earlier.

The recently ailing Gilt-edged market featured London stock markets yesterday with gains to a point and more at the longer end. Substantial demand was touched off by talk of American moves that will result in falling interest rates there, and sentiment was also helped by exhaustion just before the close of the official tap stock. The Government broker had earlier supplied the stock, £30-paid Treasury 11½ per cent 1988 A, at prices ranging from 25¼ to 25½ after first activating the stock last Tuesday at 25¼. Other factors assisting the strong tone included the council workers' acceptance of a 7½ per cent wage increase and the November retail price index with its indication of a continuing fall in inflation.

Seasonal influences became even more apparent in the equity sectors, but the volume of business picked up with total bargains of 18,210 against Thursday's 16,218. Leading shares eased initially but steadied following the Gilt market advance.

BOC International again stood out, rising 5 more to 98p on satisfaction with the results and increased dividend, while other FT Industrial Ordinary share index constituents were often slightly firmer. After showing a loss of 1.9 at 10 am, the index ended unchanged again at 466.5 for a gain on the week of 6.3.

Elsewhere, interest centred on companies in the news on trading statements or bid developments. One of the day's most noteworthy items was Johnson Matthey's rights issue call for £47m, which lowered the share price 13 to 210p.

Southern Rhodesian bonds maintained a firm trend with rises of two points being established by 2½ per cent non-assented, at £110, and 3½ per cent 1980-85 assented at £44.

Traded options remained exceptionally quiet. A reasonable trade developed in Cons. Gold Fields which contributed 193 deals to a total of 477. The week's daily average amounted to 631—the lowest since August.

Selected Unlisted Securities found support, John Hadland adding 5 to 220p and Heelamat 2 to 86p. Scan Data put on 10 for a two-day gain of 30 to 240p in a thin market.

Sedgwick dull

With hopes of a bid for the company confounded by the projected merger with Alexander and Alexander of the U.S., Sedgwick shed 4 for a two-day fall of 14 to 113p. Among Composite Insurances, Royals remained at 353p, but registered a fall on the week of 30 in the wake of the £116.3m rights issue announced last Monday.

The major clearing banks closed easier on lack of interest, Lloyds, 334p, Midland, 344p, and NatWest, 382p, all shed 4, while Barclays softened a couple of pence to 428p.

These reporting trading statements were again the focus of attention among Breweries. Greene King reverted to unchanged at 242p, after 244p, following the virtual standstill in first-half profits, but the increased annual profits and dividend lifted Hardys and Hansons 5 to 295p. Fuller Smith and Turner, dealt in the Unlisted Securities Market, fell 20 to 320p after announcing halved interim earnings. Greenall Whitley continued to draw strength from Thursday's results and capital proposals and rose 4 for a two-day gain of 17 at 227p, but Marstons gave up 3 more to 65p. Wines and Spirits traded quietly and price movements were rare although Distillers rallied 3 to 188p.

Peters firm

Leading Building issues were barely tested, but secondary issues were featured by Phoenix Timber which put on 15 to 100p for a gain on the week of 25 on thoughts that the company might attract takeover bid in view of the half-year loss and halved interim dividend announced yesterday. Also in Timbers, Montague L. Meyer, still reflecting the lower half-yearly profits and dividend, shed 2 to a 1980 low of 67p, while International, another recent casualty on poor results, lost a penny more at 68p. Elsewhere, Laing A added 3 to 34p and Wilson (Connolly) 8 to 124p on occasional interest, but William Leech, at 78p, gave up 2 of the previous day's gain of 6 which followed good preliminary results.

In Chemicals, ICI edged up a couple of pence to 330p. Allied Colloids put on 3 for a two-day gain of 11 to 102p on speculative interest. Elsewhere, Novo Industries B rose 5 points to £48 following a broker's seminar.

Demand for Stores remained at a low ebb and the leaders ended with modest gains. Gussies A added a couple of pence to 470p, as did Mothercare, at 230p. Peters Stores jumped 8 to 94p following the chairman's annual review, while an investment recommendation helped Tricoville, 2 better at 58p. Polly Peck shed 3 to 145p despite the return to profits while support was also lacking for Northern Goldsmiths, 6 lower at 56p.

Leading Electricals were included firmer for choice, GEC improving 6 to 593p and Plessey closing a shade dearer at 269p. Elsewhere, AB Electronic encountered fresh offerings and gave up 7 further to 108p but still reflecting satisfaction with the interim results, United Scientific gained 18 to 323p for a two-day rise of 33. Sporadic offerings left Electrocomponents 15 lower at 710p and Unitech 14 cheaper at 310p.

BOC good again

Against the trend, quietly dull conditions persisted in the Engineering leaders, GKN, drifting off to close 3 cheaper at 133p. Tubes ended 2 down at 190p, after 188p, while John Brown eased 1½ more to 60½p. Elsewhere, Victor Products reacted to 160p and closed 30 down at 166p in a difficult market following adverse mention in a provincial newspaper. Comment on the preliminary results caused dullness in RHP, which gave up 4 to 84p, while A. Lee, still reflecting the reduced dividend and profits, gave up 1½ more to 10p. Babcock eased 3 to 98p, while Jenks and Cattell also fell 3, to 52p, as did Lake and Elliot, to 34p.

Food retailers took a firm line on hopes of a good Christmas trade, J. Sainsbury rising 5 to a 1980 peak of 335p. Hillards improved 3 to 182p and Nurdin and Peacock 5 to 215p in thin markets. Elsewhere, Baileys of Yorkshire added 3½ to 47½p in response to the good interim results.

Miscellaneous industrial leaders made a mixed showing. BOC International, still reflecting the better-than-expected results and increased dividend, firmed 5 more to 98p for a two-day gain of 12. Beecham rose 2 to 169p, while, following the U.S. Ford deal, Pilkington closed 3 dearer at 253p. Glaxo edged up 4 more to 258p, but Boots, 241p, and Bowater, 183p, both eased a few pence. Elsewhere, the reduced interim dividend and profits further depressed Associated Communications 11 to 48p, making a loss of 31 since the announcement. News of the proposed £47m rights issue caused a reaction of 13 to 210p in Johnson Matthey, but satisfactory half-yearly results left Continuous Stationery 2 higher at 50p. Aeronautical and General rallied 10 to 345p, while speculative interest prompted a gain of 5 to 54p in Gieves. Occasional demand lifted Wedgwood 3 to 55½p and Brengreen 2 to 37½p. Hoskins and Horton rallied from 34p to close only a penny cheaper on balance at 38p following news of the agreed sale of its holding in Kuwait Metal Furniture Manufacturing Company.

Some Television issues went easier awaiting news of the ITV contract awards, expected to be announced on December 28. Anglia A shed 3 to 81p and HTV 4 to 95p, while Trident A lost 2½ to 47½p. Lottery ticket concern Norton and Wright dropped 7 to 43p on the interim loss and reduced dividend.

Motor Components again displayed an irregular appearance. Dowty lost 5 more at 200p, while further consideration of the disappointing annual results clipped 2 more from Bluemel Bros., 28p. Lucas firmed a penny to 189p, still down 11 on the week following the chairman's warning of future cutbacks. Support was again noted for Kwik-Fit, 1½ dearer at 89p.

Wallpaper manufacturers Melody Mills fell 2 to 30p following the first-half loss and passed dividend. Inveresk encountered renewed support and firmed 3 to 26p.

Business in Properties was small, but prices edged forward in places, Land Securities adding 4 to 358p and MEPC a penny to 220p. Support was forthcoming for Hammerson A, which firmed 20 to 590p, and Great Portland Estates, which improved 3 to 205p. Elsewhere, Hong Kong Land firmed 8 to 168p and Swire Properties 3 to 97p on firm Far-Eastern advices.

Oils mixed

Oil shares passed another quiet session and final quotations showed mixed movements on the day. Piel Petroleum closed 10 cheaper at 340p following the preliminary figures, but KCA ended a penny dearer at 166p on news that the company had secured a contract for its drill ship, CL950. Buyers showed interest in Berkeley Exploration, which advanced 13 to 263p, while further consideration of the interim results prompted a rally of 3 to 80p in NCC Energy. Gas and Oil Acreage, 435p, and Carless Capel, 180p, improved 10 and 4 respectively, while Lasmo shook off recent vague rights issue talk and picked up 10 to 435p. Among the leaders, BP, 428p, and Shell, 478p, both closed a few pence lower.

Investment Trusts attracted scattered support and selected Capital stocks closed with useful gains. City and Commercial jumped 12 to 223p, while rises of 10 were common to Triplevest, 306p, and Fundinvest, 108p. Atlantic Assets improved 5 to 245p.

Late rally in Golds

Having lost ground in the morning and early afternoon on fears that U.S. interest rates would rise to 22 per cent South African Golds staged a minor rally in the after-hours' trade following news that prime rates had moved up to 21½ per cent.

The sharemarket reflected a late advance in the bullion price which closed a net $10 higher at $584.50 an ounce after having traded in the low $570's in the morning. The Gold Mines index lost 7.1 to 428.0, up 1.4 over the week.

Most of the late buying was directed towards the heavyweights where Vaal Reefs closed ¼ firmer on balance at £39, after £38¼, and St. Helena, a like amount up at £21¼.

The medium and lower-priced issues, however, closed only a fraction above the day's lows. Grootvlei were 20 lower at 517p following news that the mine is to increase gold production, while Venterspost gave up 36 to 630p and Welkom 24 to 838p.

Finacials moved narrowly either way despite the late rise in gold and the much steadier trend in base-metal prices. Gold Fields ended 2 harder at 517p but RTZ and Charter slipped 2 to 413p and 218p respectively.

Australians were marginally firmer but trading was at minimal levels. In the leaders, rises of 10 were common to CRA, 294p, Pancontinental, 525p, and Peko-Wallsend, 520p, while Western Mining put on 2 further to 291p.

Hampton Areas rose 5 more to 245p on further consideration of its participation in the successful application for Block 3/4 in the North Sea. North Broken Hill, currently bidding for Dunlop Olympic, added 3 more to 211p, up 23 on the week.

The speculatives provided features in Kitchener Mining, 27 ahead at 232p, Mount Carrington, 5 firmer at 47p, and Spargos, which rose 4 to 32p.

FINANCIAL TIMES STOCK INDICES

	Dec. 19	Dec. 18	Dec. 17	Dec. 16	Dec. 15	Dec. 12	A year ago
Government Secs.	68.58	68.03	67.23	68.11	68.00	68.23	65.46
Fixed Interest	70.07	68.91	69.96	70.10	70.09	70.38	66.02
Industrial Ord.	466.5	466.5	465.5	459.2	464.4	460.2	412.5
Gold Mines	428.0	435.1	433.8	424.1	441.9	426.6	255.6
Ord. Div. Yield	7.63	7.64	7.63	7.57	7.65	7.71	7.74
Earnings, Yld. % (full)	17.05	17.14	17.12	16.98	17.16	17.30	18.27
P/E Ratio (net) (*)	7.19	7.14	7.15	7.21	7.13	7.08	6.32
Total Bargains	18,210	16,218	16,985	18,187	17,082	19,090	13,287
Equity turnover £m	—	105.47	115.20	122.32	109.32	113.38	70.26
Equity bargains total	—	11,075	12,592	13,682	13,311	13,427	10,923

10 am 464.0. 11 am 465.2. Noon 467.6. 1 pm 467.3. 2 pm 467.0. 3 pm 467.0.

Latest Index 01-248 8023.

*Nil=8.64.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compil'tion High	Since Compil'tion Low
Govt. Secs.	72.54 (21/7)	63.85 (7/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	515.9 (21/11)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	558.9 (22/9)	265.5 (18/5)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 19	Dec. 12
—Daily		
Gilt Edged	100.1	76.2
Industrials	62.5	66.0
Speculative	28.5	28.1
Totals	46.5	47.5
5-day Avrge.		
Gilt Edged	98.6	100.8
Industrials	70.0	75.2
Speculative	36.0	42.5
Totals	53.1	66.9

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Dec. 19, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Dec. 18 Index No.	Wed., Dec. 17 Index No.	Tues., Dec. 16 Index No.	Mon., Dec. 15 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (170)	283.07	—	15.58	5.81	7.88	283.10	284.56	285.37	283.05	215.05	299.81 (21/11)	208.87 (3/1)	299.81 (21/11/80)	50.71 (13/12/74)
2	Building Materials (27)	239.41	-0.1	19.40	7.21	6.14	239.74	242.16	242.13	237.59	199.62	268.14 (21/7)	194.00 (3/1)	270.52 (18/5/79)	44.27 (11/12/74)
3	Contracting, Construction (26)	397.88	-0.4	22.93	6.37	5.23	399.52	400.81	398.75	394.75	329.41	437.01 (18/9)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (17)	942.75	+0.7	10.37	2.88	11.97	936.37	938.67	949.84	947.43	552.34	983.55 (1/12)	539.56 (2/1)	983.55 (1/12/80)	84.71 (25/6/62)
5	Engineering Contractors (11)	398.05	+0.7	15.29	6.50	8.36	395.13	398.24	375.34	366.59	292.55	398.24 (17/12)	264.74 (30/5)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (73)	171.41	-0.3	17.30	7.68	7.18	171.90	172.11	172.39	170.86	150.20	190.20 (18/7)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	133.05	-2.4	21.74	11.71	5.74	136.28	138.86	139.34	138.96	147.62	173.09 (18/7)	133.05 (19/12)	192.29 (4/5/79)	49.65 (6/1/75)
11	CONSUMER GOODS (DURABLE) (48)	230.34	-0.4	13.53	5.26	8.89	231.18	231.59	232.35	231.48	193.86	253.81 (12/9)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (14)	359.14	-0.7	10.45	3.96	11.70	361.54	361.57	363.58	361.92	262.60	397.87 (28/11)	247.36 (3/1)	397.87 (28/11/80)	42.85 (13/12/74)
13	Household Goods (13)	83.39	+0.9	26.32	9.49	4.78	82.64	82.85	82.17	81.87	117.21	116.40 (1/1)	81.52 (12/12)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	90.61	+0.5	22.59	9.32	5.13	90.12	90.85	90.58	90.52	104.06	115.86 (29/1)	89.76 (11/12)	170.59 (15/1/69)	19.91 (6/1/75)
21	CONSUMER GOODS (NON DURABLES) (172)	236.60	—	16.77	6.77	7.26	236.67	237.25	238.44	236.02	205.72	252.42 (21/11)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	263.86	—	15.88	6.95	7.63	263.77	263.09	265.58	265.16	255.21	306.45 (8/7)	248.93 (3/1)	306.45 (8/7/80)	69.47 (13/12/74)
23	Wines and Spirits (5)	270.55	+1.4	22.81	7.59	5.15	266.69	267.98	272.72	272.61	300.10	338.01 (19/9)	266.69 (18/12)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (16)	344.40	-0.5	16.75	6.41	7.34	346.06	349.60	350.50	346.38	272.67	365.42 (21/11)	268.87 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturing (23)	211.32	-0.2	18.66	7.46	6.37	211.77	212.27	213.46	209.97	191.28	226.47 (18/9)	183.95 (28/3)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (14)	444.43	+0.5	10.55	3.49	11.22	442.08	443.97	444.27	440.86	293.87	456.94 (21/11)	286.28 (3/1)	456.94 (21/11/80)	54.25 (11/12/74)
32	Newspapers, Publishing (12)	427.34	-0.1	22.84	6.86	5.72	427.82	426.14	426.70	421.66	379.42	456.79 (1/10)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	112.93	-0.3	28.59	10.79	4.05	113.25	113.19	113.72	112.88	117.57	140.51 (21/7)	111.20 (12/12)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (44)	246.57	+0.2	12.10	5.10	10.81	246.11	246.10	247.39	244.75	193.31	262.86 (21/11)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (21)	123.45	+0.1	20.64	10.77	6.28	123.37	123.66	123.73	121.89	126.51	140.52 (14/7)	116.89 (6/6)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	198.15	-1.5	28.96	11.75	3.93	201.21	203.68	203.59	201.10	203.90	240.29 (12/9)	192.86 (3/1)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (5)	23.03	—	—	5.87	—	23.03	23.03	22.70	22.46	47.46	47.59 (1/1)	22.26 (12/12)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (98)	218.23	+0.5	16.13	7.27	7.40	217.16	216.70	216.61	213.80	188.56	230.85 (21/7)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (15)	298.52	+0.9	17.62	8.17	6.65	295.97	292.57	293.41	289.61	282.50	326.53 (7/7)	276.80 (3/1)	329.77 (4/5/79)	71.20 (2/12/74)
43	Pharmaceutical Products (7)	252.20	+1.0	10.51	5.66	11.31	249.65	248.89	248.52	242.33	196.26	258.60 (21/11)	175.38 (28/5)	291.13 (14/9/78)	175.38 (28/5/80)
44	Office Equipment (6)	102.29	-0.2	20.10	8.13	5.82	102.45	103.33	104.07	101.59	103.81	123.10 (14/2)	95.26 (24/9)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	544.54	+0.1	13.50	6.70	9.05	544.06	550.33	548.51	546.27	412.54	617.88 (22/8)	411.53 (10/1)	617.88 (22/8/80)	90.80 (29/6/62)
46	Miscellaneous (60)	262.30	—	17.86	7.29	6.83	262.29	263.15	262.18	260.60	219.52	287.99 (31/7)	211.86 (3/1)	287.99 (31/7/80)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (488)	250.87	+0.2	16.07	6.51	7.55	250.70	251.24	252.02	249.56	209.61	266.94 (21/11)	203.76 (3/1)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (12)	942.41	-0.4	25.48	5.58	4.37	946.14	955.05	953.22	936.78	695.28	1065.24 (19/11)	668.86 (8/1)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	305.52	—	18.33	6.28	6.43	305.65	306.85	307.42	303.86	248.01	329.58 (21/11)	241.13 (3/1)	329.58 (21/11/80)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	231.59	-0.1	—	5.73	—	231.76	232.03	232.20	228.98	182.80	260.37 (28/10)	175.85 (3/1)	260.37 (28/10/80)	55.88 (13/12/74)
62	Banks (6)	246.05	-0.9	41.58	6.93	2.88	248.18	247.23	247.64	245.60	223.44	271.75 (29/10)	201.01 (8/4)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	281.81	+0.4	—	6.10	—	280.76	281.92	274.75	276.28	216.97	312.35 (21/11)	206.50 (18/3)	312.35 (21/11/80)	81.40 (10/12/74)
64	Hire Purchase (5)	198.03	+0.3	12.28	5.28	10.99	197.36	200.44	199.22	199.22	167.84	253.41 (24/7)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	229.19	-0.6	—	5.75	—	230.57	230.29	229.34	223.55	153.61	272.22 (28/10)	151.80 (3/1)	272.22 (28/10/80)	44.88 (2/1/75)
66	Insurance (Composite) (9)	145.55	—	—	7.92	—	145.48	145.20	144.73	140.42	121.94	183.32 (18/9)	117.05 (3/1)	183.32 (18/9/80)	43.96 (13/12/74)
67	Insurance Brokers (9)	315.02	-0.8	14.62	7.35	9.37	317.42	329.82	329.19	321.61	267.06	366.44 (18/9)	256.48 (3/1)	372.27 (1/8/78)	65.86 (16/12/74)
68	Merchant Banks (13)	143.02	+0.3	—	5.41	—	142.59	143.67	143.01	142.46	89.72	164.30 (19/11)	87.47 (3/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (45)	437.13	+0.8	3.37	2.81	41.29	433.77	433.98	439.43	436.16	317.57	474.19 (12/9)	304.20 (3/1)	474.19 (12/9/80)	56.01 (20/4/65)
70	Miscellaneous (11)	163.32	+0.1	16.57	5.94	7.67	163.22	163.32	160.32	159.92	119.69	171.35 (27/11)	119.62 (3/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	281.52	+0.8	—	5.35	—	279.34	279.31	278.20	276.70	192.70	298.64 (29/10)	188.97 (3/1)	298.64 (29/10/80)	71.63 (13/12/74)
81	Mining Finance (3)	229.96	-0.1	14.26	5.83	8.35	230.30	230.34	229.40	235.82	156.59	277.15 (30/10)	161.95 (1/1)	277.15 (30/10/80)	66.31 (30/9/74)
91	Overseas Traders (20)	428.01	+1.2	11.81	6.86	10.27	423.01	422.48	421.47	417.68	335.93	462.79 (22/10)	330.03 (3/1)	462.79 (22/10/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	290.45	—	—	6.13	—	290.37	291.23	291.53	288.47	230.91	313.07 (21/11)	225.06 (3/1)	313.07 (21/11/80)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., Dec. 19	Day's change %	Thurs., Dec. 18	xd adj. today	xd adj. 1980 to date
1	Under 5 years	106.82	+0.48	106.31	—	10.19
2	5-15 years	108.75	+0.99	108.00	0.32	13.08
3	Over 15 years	113.53	+1.23	112.72	0.57	14.73
4	Irredeemables	126.20	+1.08	124.86	—	13.54
5	All stocks	109.43	+0.92	108.73	0.30	12.56

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

			Fri., Dec. 19	Thurs., Dec. 18	Year ago (approx.)	1980 Highs	1980 Lows
1	Low Coupons	5 years	12.00	12.14	12.64	13.32 (4/3)	11.17 (21/7)
2		15 years	12.00	12.13	12.68	13.12 (4/3)	11.11 (21/7)
3		25 years	12.00	12.13	12.72	13.12 (4/3)	11.11 (21/7)
4	Medium Coupons	5 years	13.57	13.77	14.47	15.37 (4/3)	12.45 (21/7)
5		15 years	13.85	14.02	14.30	14.71 (4/3)	12.90 (21/7)
6		25 years	13.48	13.64	14.15	14.50 (4/3)	12.35 (23/7)
7	High Coupons	5 years	13.55	13.73	14.72	15.44 (4/3)	12.71 (17/7)
8		15 years	14.06	14.23	14.77	15.06 (4/3)	12.81 (21/7)
9		25 years	13.71	13.89	14.51	14.92 (4/3)	12.63 (23/7)
10	Irredeemables		11.66	11.77	12.14	12.53 (21/3)	10.80 (21/7)

		Fri., Dec. 19 Index No.	Yield %	Thur. Dec. 18	Wed. Dec. 17	Tues. Dec. 16	Mon. Dec. 15	Fri. Dec. 12	Thur. Dec. 11	Wed. Dec. 10	Year ago app'x	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	52.88	14.01	52.67	52.89	52.85	53.28	53.52	53.41	54.26	49.64	55.65 (30/7)	49.12 (7/1)	113.43 (28/11/65)	37.06 (6/1/76)
16	Investment Trust Prefs. (15)	52.00	15.05	52.00	52.00	52.00	52.32	52.52	52.52	52.02	46.22	53.61 (27/11)	46.34 (2/1)	114.41 (13/3/63)	34.45 (4/12/74)
17	Coml. and Indl. Prefs. (20)	67.76	15.26	67.63	67.65	67.10	66.97	66.87	66.91	67.46	61.12	65.56 (4/8)	60.92 (27/5)	114.96 (7/10/66)	47.67 (6/1/75)

Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77
Other Groups	31/12/74	63.75
Overseas Traders	31/12/74	100.00
Engineering Contractors	31/12/71	153.84
Mechanical Engineering	31/12/71	153.84
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	128.20
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00
British Government	31/12/75	100.00

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 25p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, London, EC4R 9AX, at £50 per copy.

CONSTITUENT CHANGES: Jardine Japan Investment Trust (Investment Trusts) and Coral Leisure (Entertainment, Catering) has been deleted and replaced by Electra Investment Trust (Investment Trusts), and Nichols (J. N.) (Vimto), respectively.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 15	Jan. 2	Mar. 26	Apr. 6
Jan. 5	Jan. 16	Apr. 8	Apr. 21
Jan. 19	Jan. 30	Apr. 29	May 11

For rate indications see end of Share Information Service

Money was given for the call in Keith Collins Petroleum, Sobranie, William Press, Lonrho, Premier Oil, Charterhall, Tricentrol, Woodside, British Land, Airfix, Illingworth Morris A, FNFC and Provincial Laundries. No puts were reported, but doubles were completed in Lonrho, FNCF and Premier Oil.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p:	+ or —	Div. p. or Amount	Times Covered	Gross Yield	P.E. Ratio
58	F.P.	5/2	335	326	Amer. Comm. Inds.	325	......	—	—	—	—
$100	F.P.	5/2	£411₈	£403₄	Do. Notes 20%	£403₄	......	Q 20%	—	20.5	—
303	F.P.	—	452	370	Dunbar Group £1	430	......	b8.2	4.4	2.1	15.7
§120	F.P.	5/2	220	152	Hadland J.	220	+5	u2.52	3.8	1.6	20.2
82	F.P.	—	96	83	Heelama 10p	86	+2	b5.6	2.6	9.3	6.1
107	F.P.	—	134	113	Independent Inv. 25p	120	......	—	—	—	—
§15	F.P.	—	35	26	Intervision Pfd. 10p	30	+1	—	—	—	—
70	F.P.	—	99	78	Midland Marts	92	......	b3.75	2.0	5.8	12.3
100	F.P.	—	102	87	New Tokyo Inv Tst 50p	102	......	—	—	—	—
§25	F.P.	—	39	27	Phoenix Mining 25p	38	-1	—	—	—	—
§195	F.P.	12/1	250	155	Scan Data	240	+10	u2.0	2.5	1.2	46.6
148	F.P.	12/12	172	132	Thames Inv. & Secs.	140	......	u5.18	1.2	5.3	21.7

FIXED INTEREST STOCKS

Issue £ price	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or —
‡	Nil	—	9½pm	½pm	Bell (Arthur) 9½% Cnv. Uns. Ln. 99-2001	—	......
¶	£10	—	16¾	16	Chester Waterworks 9% Red. Pref. 1985	14½	......
100p	F.P.	—	103p	102p	Comben 11.375% Cum. Red. Pref.	103p	+1
¶	£10	—	15¾	14½	East Anglian Water 9% Red. Pref. 1985	15	......
¶	£10	—	15½	14¾	East Worcester 9% Red. Pref. 1986	15	+¼
£100	Nil	—	3pm	9pm	Energy Finance 8% Cnv. Uns. Ln. '95-2000	9pm	......
¶	£10	—	15	14½	Essex Waterworks 9½% Red. Prf. 1985	14½	......
§100p	F.P.	—	126p	96p	Intervision 7% Cnv. Pref.	116p	......
£100	£50	—	46	44	Lon. Merchant Secs. 7¾% Cv Uns Ln 2000-05	45	......
99	F.P.	—	99½	98¾	Mid-Sussex W'rw'ks 14% Red. Deb. 1986-88	98½	-¼
‡	F.P.	—	32	20½	S. Rhodesia 4½% '87-92 Asstd.	32	+4
**	F.P.	—	100p	98½p	Standard Industrial 11% Pref.	98½p	......
‖	F.P.	6/12	112	105½	Town Centre Secs. 9% Cnv. Uns. Ln. '95-2000	110	......
‖	F.P.	17/10	39	35¼	Western Deep 12% Uns. Deb. '86-93	38½	......
—	—	—	13	10	Do. Options	10½	......
‡	F.P.	—	318	268	Zimbabwe settlement annuity Reg.	318	+6

"RIGHTS" OFFERS

Issue price p:	Amount paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing price p:	+ or —
30	Nil	—	—	4½pm	2pm	Bremar Trust	4pm	-½
75	F.P.	—	—	83	72	E. Midland Allied Press A	81	......
A$1.5	F.P.	24/11	15/12	80	56	ElderSmith GoldbroughM'rt	80	......
5	F.P.	8/12	21/1	7	5	Grovebell	6	......
210	F.P.	16/12	14/1	255	225	Hampton Gold Mining	240	-5
140	F.P.	18/12	30/1	178	154	KCA Intnl.	164	+1
35	F.P.	10/12	9/1	42	31	Kean & Scott	31	......
25	F.P.	18/12	4/2	26½	25	L. K. Industrial	25	......
$A1.05	F.P.	—	—	76	32	North Kalgurli Mines	45	+1
A$0.50	Nil	—	—	93pm	72pm	Oakbridge	82pm	+4
87	F.P.	15/12	16/1	118	106	Pritchard Services	114	......
78	F.P.	15/12	22/1	95	91	Scapa	94	......
60	Nil	—	—	11pm	8pm	Security Centres	8pm	-2
24¼	Nil	—	—	125pm	28pm	TNT	88pm	+5
50p	F.P.	1/12	31/12	163	100	Viking Resources	110	+2

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. *F* Dividend and yield based on prospectus or other official estimate for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *pt* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Resulting from debt settlement scheme. ‡‡ Units comprising 125 A Ord. & 6 12½% Cum. Pref.

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (17)

BRITISH FUNDS (1)
Exchqr. 9½pc 1981

AMERICANS (2)
Chase Manhattan, Cont. Illinois

BEERS (2)
Greenall Whitley, Greene King

BUILDINGS (1)
Jones (Edward)

STORES (1)

FOODS (2)
Alpine Soft Drinks, Sainsbury (J.)

INDUSTRIALS (2)
AGA AB, Dover Corp.

LEISURE (1)
Rediffusion TV Pref.

PROPERTY (2)

TEXTILES (1)

TRUSTS (2)
G.T. Japan, Sel. Mkt. Ptg. Rd. Prf.

NEW LOWS (31)

CANADIANS (1)
Can. Pacific 4pc Db.

BEERS (3)
Allied Breweries, Invergordon, Buckley's Brewery

BUILDINGS (3)
Internatl. Timber, Wettern Brothers, Meyer (Mont. L.)

CHEMICALS (1)
Laporte

STORES (2)
Nthrn. Goldsmiths, Oliver (G.) A

ELECTRICALS (3)
A.B. Electronic, Audiotronic 12pc, Air Call Ptg. Pref.

ENGINEERING (4)
Glynwed, Lee (Arthur), GKN, Tube Invs.

FOODS (1)

HOTELS (1)

INDUSTRIALS (5)
Assoc. Comms. A, R.F.D., Hoskins & Horton, DKG Int., P.M.A.

MOTORS (4)
Genl. Motors Units, Bluemel Bros., E.R.F., Cowie (T.)

TEXTILES (1)

OVERSEAS TRADERS (1)

MINES (1)

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	96	—	1	225	161	96
Corpns. Dom. and Foreign Bonds	21	5	36	46	29	240
Industrials	166	199	1,027	1,148	867	4,927
Financial and Property	194	39	262	563	336	1,477
Oils	29	18	19	148	92	83
Plantations	8	—	12	25	12	83
Mines	38	54	71	270	208	341
Others	61	43	50	318	185	255
Totals	612	358	1,482	2,838	1,905	7,521

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Frankfurt Trust Investment—GmbH

[illegible]

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741

Inter-Dollar Fund	US$2.02	2.24	.....	—
Far East Fund	US$2.24	2.42	.....	-0.01
Intl. Currency Fund	US$1.70	1.84	.....	—
Dollar Fxd. Int. Fund	US$2.15	2.32	.....	—
Stlr. Exempt Gilt Fd.	£1.38	1.49	.....	—

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a) (c)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd.

Baring Brothers & Co., Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers Ltd.

Britannia/Schlesinger

Schlesinger Trust Mngrs. Ltd.

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Canada Life Unit Trst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carr, Sebag Unit Trust Managers

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd.

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd.

Dartington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngemt. Ltd.

Equity & Law Un. Tr. M.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd.

Friends' Provdt. Trust Mgrs. Ltd.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd.

Key Fund Managers Ltd.

Kleinwort Benson Unit Managers

L. & C. Unit Trust Management Ltd.

Legal & General (Unit Trust Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Trust

M & G Group

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngemt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers

National Provident Inv. Mngrs. Ltd.

National Westminster

NEL Trust Managers Ltd.

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group

Pearl Trust Managers Ltd.

Pelican Units Admin. Ltd.

Perpetual Unit Trust Mngmt.

Practical Invest. Co. Ltd.

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd.

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management

Rowan Unit Trust Mngt. Ltd.

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd.

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd.

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

Trustee Savings Bank

TSB Unit Trusts

Ulster Bank

Unit Trust Account & Mgmt. Ltd.

Tyndall Managers Ltd.

J. Henry Schroder Wagg & Co. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Planned Savings Group

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Assc. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Solar Life Assurance Limited

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

SIP (Pensions Management) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

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Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Management Ltd.

Britannia/Schlesinger

Brown Shipley Tst. Co. (Jersey) Ltd.

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Capital International Fund S.A.

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DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity International Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

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"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Int.	Red.
91¼	82¼	Aust. 5½pc '81-82	91¼	+¼	6.11	14.14
85¼	72½	Do. 6pc 1981-83	83	+¼	7.25	13.23
67¼	58	N.Z. 7¼pc 1988-92	63xd	+¼	11.45	13.65
82¼	72	Do. 7½pc '83-86	77¼xd	+¼	9.71	11.49
96¾	88	Sth. Africa 9½pc '79-81	95½	......	10.07	16.63
160	95	S. Rhod. 2½pc Non-Ass.	110	+2	—	—
44	31	Do. 3½pc 80-85 Assd.	44	+2	8.27	24.80
30	20½	Do. 4½pc 87-92 Assd.	30	+1	16.13	22.29

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

22¾	12¼	Hollinger $5	26½	+¼	$2.20	4.7
11½	815p	Hudson's Bay II	850xd	+10	$1.20	5.1
14¼	765p	Hud.B.Oil G. $2½	875p	+55	57.5c	2.3
21¾	11⅛	Imperial Oil II	11⅓	+¼	$1.40	4.3
14	770p	Incoll	795p	+5	SUS72c	3.8
565p	425p	Int. Nat. Gas $1	510p	+5	$1.00	6.9
495p	145p	Massey Ferg.II	150p	−5	—	—
200p	97p	Place Gas $1	115p	......	—	—
14⅞	10½	Rio Algom	12¼	+⅛	$1.50	4.1
21⅝	14¼	Royal Bk.Can. $2	20¾	+¼	$2.72	4.6
27½	13¾	Seagram Co. C$1	26⅞	+¾	US$1.40	2.2
13⅞	890p	Tor. Dom. Bk. $1	12¼	+¼	$1.52	4.4
10½	750p	Trans Can. Pipe	810p	+15	$1.16	5.0

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

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FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

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INDUSTRIALS (Miscel.)

[illegible]

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

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Eastern Rand

Far West Rand

O.F.S.

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Diamond and Platinum

Central African

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Australian

Tins

Copper

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
97	43	Barymin	52	+2	—	—	—
17	12	Burma Mines 10p	15	......	0.62	1.1	6.0
445	53	Colby Res. Corp.	288	−2	—	—	—
502	240	Cons. Murch. 10c.	250	......	tQ30c	1.8	6.9
180	80	††Hemerdon 10c.	85	......	—	—	—
225	36	Highwood Res.	170	+10	—	—	—
585	325	Northgate C$1	380	+5	—	—	—
486	322	R.T.Z.	413	−2	t16.0	3.2	5.5
£115	£101	[illegible]	£102	......	Q9½%	—	18.7
49	16	Robert Mines	34⅝	−⅛	—	—	—
128	91	††SPO Minerals 10p	120	+6	—	—	—
58	26	Sabina Inds. C$1	37	+3	—	—	—
51	31	††SWCM 10p	34	−1	—	—	—
650	411	Tara Expln. $1	490	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ☆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ♯ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ☆ Not comparable.
- ▲ Same interim, reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- •• Regional price.
- II No par value.
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv 20p.	39	......			
Bertam	11	......	Conv 9% '80/82	£93⅜	......
Bdg'wtr Est 50p	510	+5	Nat. 9¼% 84/89	£79⅝	+¼
Craig & Rose £1	£11xd	......	Fin 13% 97/02	£86¼	+¼
File Forge	39	......	Alliance Gas	52	......
Finlay Pkg. 5p	23	......	Arnott	205	......
Graig Ship £1	£19	......	Carroll (P.J.)	80	......
Higsons Brew	67	......	Concrete Prods.	83	......
Holt (Jos) 25p	310	......	Heiton (Hldgs.)	93	+1
I.O.M. Stm. £1	162	......	Ins. Corp.	320	......
Pearce (C. H.)	635	......	Irish Ropes	36	......
Peel Mills	57	......	Jacob	34	......
Sheff. Refrshmt	92xd	......	T.M.G.	26	−2
Sindall (Wm.)	141	......	Unidare	83	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	28	Utd. Drapery	6½
BOC Intl.	9	"Imps"	7½	Vickers	15
B.S.R.	4½	I.C.L.	14	Woolworths	5½
Babcock	12	Inveresk	3	**Property**	
Barclays Bank	40	Ladbroke	24	Brit. Land	8
Beecham	15	Legal & Gen.	20	Cap. Counties	13
Blue Circle	30	Lex Service	10	Land Secs.	35
Boots	20	Lloyds Bank	28	MEPC	20
Bowaters	22	"Lots"	4	Peachey	17
B.A.T.	25	London Brick	6	Samuel Props.	15
Brown (J.)	8	Lucas Inds.	20	Town & City	3
Burton	10	"Mams"	18	**Oils**	
Cadburys	6	Mrks. & Spncr	9	Brit. Petroleum	50
Courtaulds	6½	Midland Bank	32	Burmah Oil	20
Debenhams	8	N.E.I.	7	Charterhall	13
Distillers	17	Nat. West. Bank	32	KCA	22
Dunlop	7½	P & O Dfd.	12	Premier	14
Eagle Star	24	Plessey	25	Shell	45
F.N.F.C.	4	Racal Elect.	35	Tricentrol	40
Gen. Accident	32	R.H.M.	4	Ultramar	50
Gen. Electric	50	Rank Org.	16	**Mines**	
Glaxo	22	Reed Intnl.	18	Charter Cons.	30
Grand Met.	14	Sears	5	Cons. Gold	55
G.U.S. 'A'	48	Tesco	5½	Lonrho	10
Guardian	32	Thorn	28	Rio T. Zinc	45
G.K.N.	16	Trust Houses	18		
Hawker Sidd.	20	Tube Invest.	21		
House of Fraser	15	Unilever	50		
		U.D.T.	5		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

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FINANCIAL TIMES
Saturday December 20 1980

MAN OF THE WEEK

Triumph of Bali's magician

BY RAY DAFTER AND RICHARD COWPER

IT WAS the ministerial conference that some said would nevt take place at all. Indeed the omens for the ministerial price-settiog meeting of the Organisation of Petroleum Exporting Countries scheduled to take place in Bali this week were never very propritious. For the first time in its 20 years history, two of its founding members were at war, and almost up until the last minute the United Arab Emirates was campaigning to get the Bali OPEC meetiog cancelled for fear that a slanging match hetween Iran and Iraq would further damage the organisatioo's already fragile unity.

But OPEC took a hrave, some called it foolhardy, gamble and went ahead. In the event, on Monday morning the doors slid back to reveal all 13 delegations, iocluding Iran and Iraq. There were undoubtedly a number of

Dr. Subrotn of Indonesia "The man who kept OPEC together"

hair-raising moments during the three days of official and unofficial meetings. Tn the dismay and total surprise of the Iraqi delegation Iran propped up a picture of its captured Oil Minister in the seat meant for the bead of its delegation, and twice Iraq threatened to pack up and go home.

But by Tuesday afternoon it was clear that the gamble bad paid off.

Few bad any doubts on who more than anyone had made it all possible. Dr. Subroto, the new President of OPEC and Indonesia's Minister for Mines and Energy was "the one man who kept this conference together. He did an excellent job," Dr. Humberto Calderon Berti, told the Financial Times just after the conference ended on Tuesday evening.

Dr. Subroto's task was not an enviable one. Not only did be have to persuade Iran and Iraq to refrain from using the conference as a stage for war propaganda, he even bad to persuade bis own reluctant security forces that fears of a shoot-out between the bodyguards of the opposing delegations were unfounded.

Dr. Subroto, one of the younger technocrats from the economic faculty of the University of Indonesia—dubbed locally as the Salemba Mafia (the university is situated in Salemhra) — spent months preparing the ground for the conference. With tha help of Venezuela and Indonesia's Vice - President, Adam Malik, among others, be put presure on Iran and Iraq to help the cause of OPEC unity by attending the meeting. In a final bid to ensure that it did oot hreak up in disorder if they did attend he made two swift tours through the Middle East in the three weeks before the conference to work out a common OPEC approach to the conference.

In the event it was what Subrotn refers tn as "*Musyawarah*" (the Indonesian word for compromise and consensus) that prevailed.

Iran was allowed tn display the picture of its captured oil minister but not allowed to make an official OPEC statement on the subject. A three-tier pricing system was created to accommodate all points nf view. And the Gulf War was oot put on the official agenda though it was discussed in off-the-record closed door meetings. "I tried my best to apply '*Musyawarah*' wherever possible." Dr. Subroto said later. The formula was a success. Mr. Hassan Sadat, the head nf the Irani Delegation, was even seen to bug Dr. Subrotn after the meeting bad ended. OPEC regained a semblance of unity.

The West got a moderate 9 to 10 per cent price increase. Indonesia got a much needed boost tn its image on the international stage, and a well-deserving Dr. Subrotn was made President of OPEC.

Poland promised credits worth $5.8bn next year

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND HAS been promised credits worth $5.8bn (£2.47bn) next year to cover imports of finished and semi-finished goods, the Polish Parliament was told yesterday.

Unveiling budget plans, Mr. Marian Krzak, the Finance Minister, warned the deputies to expect price increases—mainly on food products and services "whose purchase prices do not cover costs."

Giviog no details of the sources of the foreign credits, Mr. Heoryk Kisiel, chief State planner, said his next major aim was to obtain fioancing for imports of raw materials for the last nine months of 1981.

Polaod is expected to need some $8.5hn to finance imports during tha year. All the country's hard curreocy income will be speot on srevicing debts which, Mr. Kisiel annouoced, will reacb $23ho tn $24bn by the end of this year.

Warning the Parliament of bard times abead, Mr. Kisiel said that next year industrial output would remain at this year's level, and that even "in the best of circumstances," natinnal income (the equivalent of gross national product) would remain uochanged.

Next year wnuld be the *first* that planned targets bad to be set at *realistic levels*, taking proper account of the quantities of raw *materials* and energy available, be said.

Some *industrial* capacity will lie idle. Workers laid off will *be paid* to *learn* new *trades*. Temporary halts in production will be used for refits. The workforce will go on paid boliday.

No large-scale reductions are expected io the industrial workforce. But Mr. Kisiel's planning commission hopes that up to 500,000 people will sbift into agriculture aod service industries.

As recently as October, the commissinn was boping that industrial output this year would grow by between 3 and 4 per cent. This has now been abandoned because production of cnal, cnpper and steel failed to match expectations.

Mr. Krzak said East Germany had granted Polaod a loog-term hard currency loan worth $125m which, a *financial* expert said, came with "very favourable" interest rates. This nffering follows a $1.1hn loan from the Soviet Union earlier this month.

Terry Dodsworth writes from *Paris*: Representatives of the main Western industrial countries are to meet in Paris on Monday to discuss the possibility of future aid to Poland.

While chances of a consortium aid package are ruled out, the countries involved—the UK, the U.S., West Germaoy, Canada and Italy—will exchange views on rescheduling Poland's debt to the West.

Profits, production and velocity of money circulation all decline

BY SAMUEL BRITTAN

A CONTINUED drop in profits and output and a big fall in the velocity of circulation of money were shown by the third quarter natiooal income figures published by the Central Statistical Office yesterday.

Net trading profits of industrial and commercial companies fell from £5.5bn in the second qnarter to £5.2bn in tha third. There was a fall of 6 per cent in the six-month period as a wbole, compared with the previous six months.

The inclusion of North Sea oil may have led to an understatement of the profit squeeze in the rest of the economy. Stock appreciation was reduced hecause of the slowdown in inflation, and *gross trading profits* fell by 1 per cent hetween the two six-month periods.

The latest figures confirm earlier estimates of a fall of 2 per cent in the output measure of gross domestic product (GDP) between the second and third quarters.

But they alsn sbow a new element. This is that mnney GDP (gross domestic product at market prices) is also rising much more slowly than before, reflecting tbe slowing of inflation. Between the second and third quarters the rise was a little over 3 per ceot.

This occurred despite a rise of 5 per cent in sterling M3. This was offset hy a fall of 1.5 per cent in the velocity of circulation (defined as GDP at market prices dlvided by sterling M3).

Tbe latest fall in velocity will confirm tba view of those who believe that the money supply figures understate the deflationary pressures on the economy. But the experience of the mid-1970s, wben velocity bounced back to the accompaniment of 25 per cent inflation,

	Company profits net of stock appreciation £m	Industrial and commercial companies trading profits* gross £m	net† £m
1975	7,685	13,735	9,459
1976	9,883	17,123	11,867
1977	14,200	20,231	16,396
1978	16,960	22,697	19,328
1979	18,138	27,721	20,818
1977 1	3,266	5,194	3,791
2	3,654	5,096	4,193
3	3,561	5,039	4,112
4	3,719	4,902	4,300
1978 1	4,164	5,402	4,729
2	4,374	5,841	4,954
3	4,271	5,665	4,873
4	4,151	5,789	4,772
1979 1	3,842	5,866	4,467
2	4,836	7,153	5,497
3	4,592	7,157	5,272
4	4,868	7,545	5,582
1980 1	5,102	8,101	5,832
2	4,754	6,928	5,504
3	4,463	6,103	5,243

* Exclnding financial companies and institntions. † Gross trading profits net of stock appreciation. All figures seasonally adjusted.

will certainly be used by Treasury "monetarists" as an argument for getting back on course as quickly as possible.

Meanwbile, the slowing in the growth of money GDP is viewed with relief in Whitehall as a sign of anti-inflationary success. The rise of money GDP in the third quarter represents an annual rate of increase of 13 per cent over the previous quarter and 15 per cent over the same quarter a year ago. At the beginning of 1980, by contrast, money GDP was rising at an annual rate of about 20 per cent.

Whiteball estimates suggest that this deceleration is continuing. Figures for the final quarter nf this year and the first quarter of next year are expected to sbow increases of about 10 per cent a year in money GDP.

Tbese figures are a better indication than those for sterling M3 of the forces which are squeezing inflation out of the system. Indeed, the present rate of *growth* of money incomes is about the same as that *envisaged* by tbe medium-term financial strategy. It is compatible with a modest resumption of the growth of output once inflation drops intn single figures.

Thus the basic objectives of the medium-term strategy bave been mucb more successful than their monetary expression.

Weather

UK TODAY

CLOUDY with outbreaks of rain, falling as snow oo high ground. Rather cold.

London, S. and E. England
Rather cloudy with showers.

Elsewhere
Cloudy with some rain, or snow on high ground.

Outlook: Unsettled, some rain, wintry in North. Rather cold.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	5	41	L. Ang.†	C	13	55
Algiers	C	13	55	Luxmbg.	C	−1	30
Amsdm.	F	3	37	Luxor	S	25	77
Athens	F	17	63	Madrid	C	10	50
Bahrain	S	18	64	Majorca	C	11	52
Barclna.	S	10	50	Malaga	C	14	57
Beirut	S	17	63	Malta	R	10	50
Belfast	C	6	43	M'chstr.	Sn	1	34
Belgrd.	C	5	41	Melbne.	S	22	72
Berlin	S	1	34	Mx. C.†		—	—
Biarritz	R	9	48	Miami†	F	18	64
Bmghm.	Sl.	1	34	Milan	C	2	36
Blackpl.	Sn	0	32	Montrl.†	F	−13	8
Bordx.	R	7	45	Moscow	Sn	−4	25
Boulgn.	C	4	39	Munich	C	−1	30
Bristol	R	4	39	Nairobi	C	25	77
Brussels	C	2	36	Naples	C	9	48
Budpst.	C	3	37	Nassau		—	—
Cairo	C	20	68	Nwcstl.	Sn	1	34
Cardiff	R	5	41	N York†	C	4	39
Cas'b'ca	C	16	61	Nice	S	11	52
Cape. T.	S	22	72	Nicosia	F	16	61
Chicg.†	F	−18	3	Oporto	C	13	55
Cologne	S	2	36	Oslo	C	−1	30
Cpnhgn.	C	1	34	Paris	C	1	34
Corfu	C	15	59	Perth	C	23	73
Denvert	Sn	−5	23	Prague	C	1	34
Dublin	R	8	46	Reykjvk.	C	−4	25
Dbrvnk.		—	—	Rhodos	C	17	63
Ednbgh.	Sn	1	34	Rio J'o†		—	—
Faro	C	15	59	Rome	F	10	50
Florence	F	6	43	Salzbrg.	Sn	0	32
Frankft.	F	1	34	S F'cisc†	C	12	54
Funchal	C	18	64	S. Moritz		—	—
Geneva	S	0	32	Singapr.	C	27	81
Gibrltr.	F	15	59	S'tiago†		—	—
Glasgow	R	2	36	Stckhm.	C	2	36
G'rnsey	R	5	41	Strsbg.	Fg	1	34
Helsinki	Sn	−5	23	Sydney	S	23	73
H. Kong	S	20	68	Tangier	C	15	59
Innsbrk.	Sn	0	32	Tel Aviv	F	18	64
Invrnss.	Sn	2	36	Tenerife	F	15	59
I.o.Man	R	4	39	Tokyo	C	10	50
Istanbul	C	8	46	T'r'nto†	F	−11	12
Jersey	R	4	39	Tunis	F	11	52
Jo'burg	S	27	81	Valencia	F	13	55
L. Plms.	F	20	68	Venice		—	—
Lisbon	C	14	57	Vienna	Sn	0	32
Locarno	F	9	48	Warsaw	C	1	34
London	C	5	41	Zurich	F	0	32

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Greece rejects British bid for power plant contract

GREECE HAS rejected a British bid to supply a £160m coal-fired power station—in spite of strenuous Government efforts to secure the contract through offers of North Sea oil.

The decision, announced yesterday, is a hlow both to GEC, which would have been in charge of the project as well as supplying the station's two 350 MW turbo-generators, and to Babcock Power, which would bave built the boilers.

It will also be galling for *Mrs. Thatcher, Prime Minister*, and Mr. John Nott, Trade Secretary, both of whom made strenuous efforts to clinch the deal on visits to Athens in the autumn.

In return for the power station contract, the Government offered Greece 500,000 tonnes of oil a year from the British National Oil Corporation, under a renewahle contract and with prices at market rates.

A third element of the package was a guarantee by tbe National Coal Board to provide 1.5m tonnes of coal a year for the life of tbe station.

The package arose from a memorandum of understanding signed by the Greek and British governments in Novembe

Mr. Stefanos Manos, the Greek Minister of Industry and Energy, announcing rejection *of the deal*, said that "in the Greek view the proposal for the coal did not respond to the terms of the memorandum of understanding."

The Trade Department and the NCB insisted last night that the coal offer had come within the memorandum and had been generons.

U.S. prime rate

Continued from Page 1

summer's severe drnught, and of rising energy prices.

Although tbe Treasury-Secretary-designate described the country's ecnnomic situation as "very serious," witb many small businesses facing serious difficulties because of higb interest rates, he felt the new Reagan Administratinn should not declare an ecnnmic emergency, as some other Reagan advisers bave suggested in tha last few days.

"We want to get interest rates down," Mr. Reagan said. But be warned that, when they started *declining* fairly rapidly, the dollar could come under pressure in the foreign exchanges. The new Administratinn would thus *have* to work hard to develop international confidence in the strength of tbe U.S. economy, he said.

While spiralling interest rates are causing growing problems in the country's major industrial sectors, they have alsn mede cnnditinns increasingly precarious for small and medium-sized businesses.

There is growing concern that the *result could be a wave of* bankruptcies in the country.

These fears were eloquently reflected yesterday by the decision of the Michigan Natinnal Corporation to reduce from Monday its prime rate from 21 per cent to 18 per cent for loans of up to $5m. The Credit Institute said tbe move was designed tn help small and medium-sized Michign businesses which had been badly bit by the recessinn in the car industry and soaring interest rates.

The U.S. motor industry has made it clear that an extensive new round nf plant closures and productinn cuts will be imposed during the first part of the new year becuse of a sharp slump in sales. The financially *troubled* Chrysler Group said production at its Belevedere assembly plant in Illinois will be cut by 22 per cent when the plant opens again on January 22. The plant produces the small front wheel drive cars Chrysler earlier hoped would lead it back to profitability.

Tbe latest rise in the prime yesterday reflects the current high cost of funds to banks. But the bond market continued its week-long rally in early trading yesterday, despite the latest prime increase, because of expectations that interest rates and credit demand will soon peak.

Buyer 'ready to outbid' Enserch for Davy

By Christine Moir

A U.S. BROKER claims to have a hnyer interested in up to 25 per cent of Davy Corporation's shares at a price ahont 10p more tban the 190p formally offered for the whole company by Enserch Corporation of Dallas.

The U.S. firm bas approacbed Phillips and Drew in the UK—which was already advising its broking clients that Enserch's offer is probably too low—to sound oot institutions willing to sell for cash a significant block of shares up to 15 per cent of Davy's equity.

The ceiling is determined by Takeover Code rules. A buyer who acquired more than 15 per cent in this way and then made an offer for the whole company would he forced under *the Code to offer* other shareholders an equivalent cash alternative.

The identity of the buyer is very shadowy: one institutional shareholder yesterday went so far as to say "he might bave more shadow than substance."

The extent of institutional holdings in Davy, which is Britain's largest engineering contractor, is not known. But the insurance companies and pension funds certainly hold well over 15 per cent of the stock. Prudential Corporation *is the largester holder with 8* per cent.

Yesterday *the fund* managers reacted predictahly to the offer for 15 per cent, welcoming any higher price bnt keeping to the rule of not accepting any offer at an early stage.

Davy's Board will not meet to consider Enserch's offer in detail nntil next week.

Medium tap sold out as gilts go on recovering

By Peter Riddell, Economics Correspondent

The £1hn medium-dated tap stock was sold ont yesterday as tbe gilt-edged market continued to recover following its weakness in this month's first fortnight.

Tbe stock — Treasury 11½ per cent *1989* — was sold *at* between £25¼ and £25½ in its partly-paid *form*. This compares with an issne price of £30 just nver three weeks ago and means that tbe Government *will* receive £45m less than it nriginally expected.

Almost all the stock bas been sold in tbe last three days. In tbe three weeks up till tben tbe FT Government Securities index bad dropped by 5 per cent, reflecting disillusion with the Government's economic statement of November 24.

Since Tuesday tbe index bas risen slightly, hy 0.8 per cent, witb gains of more than £1 in long-dated stocks yesterday.

While the longer-term doubts remain, the market has been encouraged by favourable pay and inflation news and by a smaller-than-feared rise in U.S. prime rates yesterday.

The steadying of the City *markets* was *also reflected* in the Treasury bill tender where the rate fell fractionally.

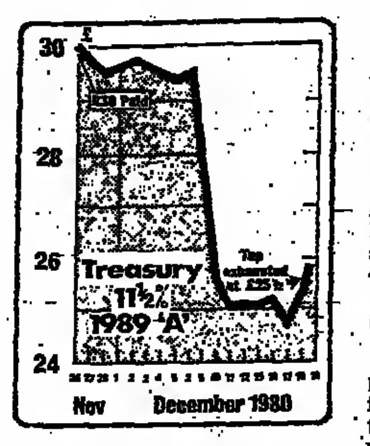
The anthorities are clearly pleased with this trend and with the sell out of the 1989 stock, thongb they have raised less than planned.

The Government will now receive £825m in instalments on two recent gilt sales by the end of the current hanking month on January 21. Coupled with the usual seasonal large tax payments, the draining of liquidity from the hanking system could cause strains in the money market. The anthorities are therefore likely to be forced to intervene to prevent a rise in very short-term interest rates

THE LEX COLUMN

Rights issues in full flood

Index was unchanged at 466.5



Althnugh U.S. prime rates were still climbing yesterday—the major mnney centre banks are nnw moving up to 21½ per cent—the feeling in New York, nnt for the first time, is that the peak is within sight. Bond prices in the U.S. are very firm, and the yield on 91-day Treasury bills droppad by a point at the opening yesterday. Wild speculation was flying armund that the week's mnney supply figures might incorporate some large downward adjustment, perhaps on a scale to match the upward adjustmeots to which watchers of the British money figures are accustomed.

In London, too, the gilt-edged market had *a strong day*, with gains of 1¼ points in some of the long-dated *stocks*. The Government Broker finally got rid of his bargain basement tap stock, Treasury 11½ per cent 1989 "A", at £25½. So the market is untapped, and foreign buyers are reported tn be sniffiog round agaio, but it is unlikely to he many working days hefore the GB has another large offeriog on his books: the most likely date for a new issue is Jaouary 2.

Equities have been trying to go better this week after their recent steep falls, and there have been some encouraging bits of news. BOC's higher dividend, for example, was a nice surprise, and a big takeover bid, such as Enserch's offer for Davy, also provided some spice, particularly as there are now shadowy stories that someone else may be interested in acquiring Davy shares. But it is hard for tbe market to make much headway in a week when —exceptionally—two major rights issues are announced. Royal Insurance and Johnson Matthey between them will take nearly £170m of cash from equity investors, and the figure is £150m even after allowing for Charter Consolidated's share of the JM issue.

Johnson Matthey

Johnsnn Matthey's rights issue is yet another addition to the highly embarrassing series of leaks in the City during recent weeks. Scheduled for Monday, it was brought forward to yesterday morning fnllowing detailed press speculatinn about the likely terms. The shares had already fallen from 235p on Thursday tn 216½p before the underwriting terms were fixed yesterday morning, and so the apparent discount of 15 per cent is not as tight as it looks. As happens too often these days, tbe news was already in the price.

Tbe background tn the issue itself may not look that promising. Johnson Matthey's profits have been boosted to exceptional levels in the past year or so hy the impact of hectic dealing in the metal market on its bullion side. This has contributed to a very strong share price performance during 1980 and so bas the thought that Charter Consolidated — which owns just over 28 per cent of the shares—might be tempted to go for the rest with a little help from the £100m or so of casb which it picked up from BP for its Selection Trust shares.

But the metal markets are much quieter at present and profits in the current half could well be down on last year's very high level, although there will still be an increase for the year to March as a whole. In addition, it seems improbable that Charter would bave been quite so co-operative about this rights issue if it had entertained serious ideas about an outright bid. It has unconditionally agreed to take up its shares, which means that nnly 72 per cent of the issue bas to be underwritten.

Yet Johnson Matthey can still make a respectable case fnr an issue, its second within twn years. Although its profits bave risen so sbarply, its return nn capital does not look unsustainably bigh. Sharehnlders' funds currently amount to about £300m if investments in precious metals are included at market values, whereas profits this year will probably be well under £50m pre-tax.

Moreover the group bas succeeded rather well during the last few years in building up a broader base of markets and products, and appears to have some quite specific plans for taking this process further. Fixed asset spending this year could be around £20m, or nearly twice the current cost depreciation charge, which will mop up most of the group's operating cash flow after allowing for tax and an increase nf not less than a fifth in the dividend. Acquisitions are also in view.

The ex rights yield of at least 6½ per cent may not look all that attractive in the short term, given the volatility of the banking business which accounts for nearly half the group's profits. But long-term holders could sensibly follow Charter's example.

Company profits

The mystery of why company profits were so strong in the first half of the year according to the national income accounts appears to have been partly solved: they were not strong at all. After revising the company profits data repeatedly up and up in the last couple of years the Central Statistical Office has begun to embark on the process of revising it down again. The CSO has just wiped £1bn—or about 15 per cent—off its previous estimate of the gross trading profits (net of stock appreciation) of industrial and commercial companies in the second quarter—when demand fell off its famous cliff. For the third quarter, the CSO's first stab is that profits were only slightly down on the first-half level and about the same as in July-September last year. But as a percentage of GNP there was a fall from 11.5 to 10 per cent over a year earlier.

These CSO estimates are highly provisional, being based largely on the results of the quarterly survey of a sample of companies by the Inland Revenue. It seems companies bave been treating their interest payments in a way which has made earlier figures misleadingly bigh, just as a previnus mix-up over stock relief caused the earlier round of upgrading.

Nnne of these figures really tie in closely with profits actually reported by companies; the accounting conventions are very different, and the buoyant trend in North Sea profits disguises the slump amnng mainland industrial companies. Brokers Phillips and Drew are now estimating a year-on-year drop of 30 per cent in third quarter pre-tax profits for non-oil companies, and including oils it could be 40 per cent. But they think the bottom is near, and next year could bring a correspondingly sharp recovery.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.
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